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ABSTRACT

This document, which is intended to stimulate debate among vocational education researchers, policymakers, and practitioners, provides a comprehensive overview of the development of vocational training policy at the European level over the past 40 years. The following are among the topics discussed in the document's eight chapters: (1) moving from a common policy to a European Community policy; (2) moving from policy to practice to meet the challenge of change; (3) facilitating adaptation to industrial change via training and retraining; (4) improving initial and continuing training to facilitate vocational integration and reintegration into the labor market; (5) facilitating access to vocational training, and encouraging the mobility of trainers/trainees and young people; (6) stimulating cooperation on training between educational or training establishments and firms through work-related vocational training and apprenticeships; (7) developing exchanges of information and experience on issues common to Member States' training systems; and (8) future challenges for vocational training (the nature of change, the issues at stake, development of the acquis communautaire--body of European Community law). Appended are information about the sources of data used in the analysis and a time line of development of the acquis communautaire. (Contains 40 references and 56 graphs/tables.) (MN)

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vocational training policy at European level

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Preface

As Commissioner for Education and Culture, I very much welcome Cedefop's first report on vocational training policy at the European level.

We live in an ever-changing world. These changes pose major challenges for the European labour market. Perhaps now more than ever before, vocational training and the role it plays in promoting employment and social cohesion is a critically important tool for personal development and economic growth. As we prepare for the countries of Central and Eastern Europe to join the European Union, the impact of vocational training policy and the role of the European dimension will assume continued importance for the development of closer European integration, economic stability and social progress.

The aim of this report is to stimulate debate about the development of vocational training amongst the wide range of interest groups throughout Europe, particularly between policy makers, decision takers and experts in public authorities and enterprise.

The report highlights the need for the range of actors involved to consider the most effective way that the European perspective can contribute to the development of vocational training in the context of lifelong learning. The EU's role as a reference point for action within the Member States in the field of vocational training, will assume even greater importance, given the need to improve the learning process.

I look forward to an ongoing constructive dialogue between the policy-makers, researchers and practitioners at national level, and continued support and co-operation at European level, as we strive together to make lifelong learning a tangible reality for all European citizens, in the year 2000 and beyond.

Viviane Reding
Member of the Commission
responsible for Education and Culture

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Executive summary

Introduction

The aim of this report is to stimulate debate on vocational training policy at European level.

Vocational training is an important policy tool. It is used to help realise many diverse economic and social aims, in particular, a high level of employment, social cohesion and the maintenance of competitiveness in support of sustainable economic development. If it is to contribute successfully to these aims, the policy framework that defines its objectives, organisation and content must be effective.

This report's analysis of policy developments at European level over the past 40 years (in Chapter 1), the current action in Member States and the impact of economic and social change on vocational training (outlined in Chapters 2 to 7) leads to the conclusion (in Chapter 8) that there is a need to establish a more clearly focused policy framework at European level.

A context of change

Vocational training has developed as an instrument of employment policy in response to economic and social change to facilitate adaptation to the changing structure of activity and content of jobs, to integrate young people and other groups into the labour market and to promote equal opportunities. This development has been supported by successive policy frameworks at European level which have encouraged debate and the identification of issues of common interest and which have acted as an important reference point for national vocational training policies. These, in turn, have provided both the support and context for practical measures of cooperation, such as over pilot projects and the exchange of people and information, in a wide range of programmes.

However, the pace of economic and social change, spurred on by advances in technology and shaped by demographic change, has notably quickened. Globalisation has accelerated. Competitive pressure on European producers has intensified, reinforced by the single market and monetary union. The comparative advantage of European producers increasingly lies in access to a well-educated and trained workforce able to adapt to new ways of working and develop new products. Economic activity has shifted from basic industries to more sophisticated products and services. Jobs for unskilled manual workers have declined and those for non-manual workers, especially those requiring a capacity for reasoning and management as well as technical know-how, have increased. A falling birth rate and an increase in life expectancy have led to an ageing workforce. At the same time, increasing numbers of women are wanting to pursue professional careers, and it has become generally accepted that both men and women have an entitlement to a high standard of education and vocational training and the opportunity to develop their potential and pursue a worthwhile career.

These changes have put a premium on a high level of general education, which is perceived as a key determinant of ability both to do the jobs on offer and to learn new skills. The level of educational attainment is, accordingly, having ever more influence on a person's career prospects and so on their life chances. The nature of these changes is both rapid and far-reaching. It poses serious challenges for education and vocational training systems. These challenges must be met if the systems are to equip people not only to respond to the growing demands of a knowledge-based economy and society, but also to enable them to shape their future in a conscious way rather than simply being overtaken by events.

Towards lifelong learning

In response to these changes, measures have been implemented in all Member States in recent years. Throughout the European Union, efforts have been made to raise the skill level of the work force and its capacity to adapt to changes in job content and working methods. Member States have sought to reduce the number of young people leaving school without qualifications and to give those who do leave the

opportunity either to return or to undertake sufficient vocational training to be able to find a job.

It is generally agreed across Member States that, to meet the challenges posed by change, people need ready access to learning throughout their working lives. Lifelong learning is regarded as the key element in the future development of vocational training. Action has begun to be taken in all Member States, with the encouragement and support of the EU, to make it a reality for everyone. But this has far-reaching implications and raises important questions about the organisation and content of vocational training systems, not least because the development of lifelong learning is serving to blur traditional distinctions between initial and continuing vocational training, between formal and non-formal learning and between general education and vocational training. Establishing a system of lifelong learning requires a fundamental examination — and, in some cases, a basic rethink — of the role of vocational training, what it comprises, what is expected of it, how it is delivered, how it is financed and how the widest possible access to it might be achieved.

The way that systems change will be determined by the interaction of a wide range of interests, including governments at various levels, employers, the social partners, trade associations, professional bodies and individuals. New interest groups have also emerged, such as the press and media, teacher associations, private training providers and commercial advisers, each with their own agenda. The worldwide web is a more recent development, offering new possibilities for the globalisation of learning which have not yet really begun to be exploited or even understood.

The effective management of these various interests implies a need for consensus building and partnership at different levels between all those involved, from the different layers of government through the social partners, training providers and individuals. If systems are to change significantly in effective ways, all need to be aware of the overall strategy, the general direction of change and the objectives being pursued, as well as the opportunities and benefits likely to stem from achieving them. There is a parallel need for more and better quantitative information to identify the needs of individuals and the labour market.

A European framework

Irrespective of the substantial differences between systems of vocational training across the EU and the relative influence of the interests involved, the challenge of how to respond to change is common to all Member States. Accordingly, how this challenge is met is of concern at EU level.

Facing common challenges in Europe is not new, especially in the area of vocational training. In the past, challenges have been met by pooling ideas, widening national debates to include other Member States, identifying common objectives and agreeing joint action at various levels. Accordingly, the EU has acted as a valuable reference point for developing national policies and identifying areas of cooperation to tackle common challenges, including: facilitating adaptation to change, helping to integrate young people and others into the labour market, and promoting equality of opportunity between women and men. The joint opinions of the social partners have also provided a reference point at EU level for both sides of industry to develop their approaches to vocational training.

There are many exchange and dissemination activities at national and European level in respect of vocational training. The completion of the first Leonardo da Vinci programme and the launch of its successor provide an excellent opportunity to consider establishing a more systematic approach to the analysis, monitoring and reporting of issues surrounding the learning process — the what, when, where, and how of learning. These issues are central to the development of the vocational training system, they are being profoundly affected by economic and social change and are at the heart of the debate on lifelong learning.

Vocational training is a key part of the European employment strategy. Developments in it are reported in the procedure for monitoring this. However, the employment strategy is not a policy framework for vocational training, nor is it intended to be. At this important time in the development of vocational training, there is a need for a clearly focused policy framework at European level encompassing all the key issues to serve as a reference point to support Member States in their efforts to reform national systems. Establishing such a framework at EU level could perform a number of important functions, as comparable action is doing in other areas of policy. It

could identify the key policy issues which are common to Member States and help focus attention on them. It could define the links between vocational training and the European employment strategy and contribute to the achievement of its objectives. It could encourage debate on the learning process and the issues surrounding it and on the means of making lifelong learning for everyone a reality. Through performing these kinds of function, it could help build a consensus across the EU among the various interest groups on the objectives of vocational training and on the measures for achieving them.

It would also encourage the establishment of a coherent and effective system for the exchange of information and experience at European level, based on systematic quantitative evaluation of measures implemented in different countries, and provide a forum for discussing and analysing these, so helping to improve policy-making across the EU.

Such a framework should be flexible to enable groups of Member States to work together on issues in which they share a particular interest and on specific themes they wish to address. With the prospect of a Union of 20 or more Member States in the not too distant future, this kind of arrangement may prove to be the most practicable for effective cooperation.

While the nature of the framework is for Member States and the European institutions to decide, the lesson of history is that Member States have proved very sensitive to attempts to agree the pursuit of common objectives in this area through legally-binding instruments. Nevertheless, a strong political commitment is essential for any coherent policy framework to be implemented at European level. As part of this, clear roles need to be defined for the Education Committee or the Social Affairs Council or both, the European Parliament, the Economic and Social Committee and the Committee of the Regions.

Many of the elements required for such a framework already exist and it is largely a question of focusing these on agreed priority issues. Senior policy-makers, including social partner representatives, from Member States already meet at European level. A number of institutions already collect information on vocational training developments, including Cedefop. In addition, the results of the European vocational training programmes, such as the Leonardo da Vinci I programme, as well as its successor, are a potentially rich source of new material and insights to feed into the policy debate.

The challenge is to draw these different elements together into a coherent system that focuses on key issues of common interest and encourages constructive consideration of them at EU level. To derive full benefit from an exchange of views between Member States on the rapid developments taking place in vocational training and the factors which affect it, it is important to have a clearly focused policy framework, agreed and monitored at senior political level — a framework which provides a reference point from which Member States can draw, should they wish, to develop their own national policies and within which actions in the Leonardo da Vinci II programme can be determined and carried out.

Concluding remarks

Many of the issues concerning the development of lifelong learning affect the content and organisation of vocational training, which are the responsibility of Member States. A vocational training policy framework at European level has explicitly to recognise that the response to them is likely to differ from country to country according to its historical development and its social, cultural and economic characteristics. There is no single European solution.

A clearly focused framework, which has the support of the various interests involved and facilitates exchanges of experience, information and good practice in a structured way, could contribute significantly to the decision-making process in Member States. It could help in the task of adapting vocational training systems effectively to meet the challenges posed by economic, social, demographic and technological changes and of making lifelong learning a reality.

The EU is committed to promoting social progress, a high level of employment, and balanced and sustainable development, while strengthening economic and social cohesion. Vocational training has an important role to play in achieving these interrelated objectives. As the prosperity of the EU as a whole depends on the economic performance of its constituent parts, there is a common interest at EU level in monitoring developments in vocational training in individual countries and in helping Member States implement more effective policies for improving their systems.

Chapter 1: From a common policy to a Community policy

Introduction

Why a report on vocational training policy at European level? It is because vocational training is an important policy tool. It is used to help realise many diverse economic and social aims, such as achieving high levels of employment, promoting social cohesion and improving competitiveness and economic growth. If vocational training is to contribute successfully to these wider economic and social aims, the policy framework that defines its objectives, organisation and content must be effective.

It is important to examine vocational training policy at European level periodically because it reflects the aims and issues on which cooperation is agreed to be in the best interests of the European Union (EU) and its Member States. It is looked upon to contribute to European integration, whilst taking into account the diversity of systems and practice which are part of national traditions and custom. Striking the right balance is important, but it can sometimes be difficult as situations and priorities change.

The purpose of this report is to examine EU vocational training policy and to stimulate and contribute to an on-going debate on this that constantly reviews and, accordingly, helps to ensure its effectiveness. The report seeks to do this by:

(a) examining the vocational training policy framework at European level, how it has developed and been implemented and the key policy areas it covers (in this chapter);

(b) reviewing the action being taken by the Member States in the areas covered by vocational training policy at European level and identifying the challenges it faces;

(c) considering how vocational training policy might be successfully developed in the future.

An outline of policy developments

This chapter looks at the development and implementation of vocational training policy at European level since the founding of the European Economic Community under the Treaty of Rome in 1957 to the Treaty on European Union signed at Amsterdam which come into force in May 1999. The road from Rome to Amsterdam has been a long one for vocational training policy. The Treaty of Rome provided for a common vocational training policy. The Treaty on European Union agreed at Maastricht in 1992 introduced a Community vocational training policy and the text was carried over unchanged into the Treaty of Amsterdam. Over this period, economic and social change have steadily raised the profile and importance of vocational training. The policy framework at European level has been adapted on many occasions to take account of changing circumstances and has supported the development of vocational training as a key instrument of employment and active labour market policy. Vocational training now plays a major role in facilitating adaptation to change, integrating young people and other groups into the labour market and promoting equal opportunities.

The policy framework comprises the European *acquis communautaire*, which is the body of community law which places obligations on Member States or individuals in respect of vocational training. In this chapter the *acquis* is interpreted in a broad sense to include:

(a) European Community legal instruments — regulations, directives, decisions and recommendations;

(b) judgements of the European Court of Justice;

(c) non-binding policy statements — conclusions and resolutions of the Council of Ministers — communications and white and green papers from the European Commission and joint opinions of the social partners.

The policy framework established by the *acquis* at European level has supported the development of

vocational training principally in two ways. Firstly, it has encouraged debate among Member States enabling national issues to be discussed more widely and areas of common interest to be identified. In this way, the European level has acted as an important reference point for the development of national vocational training policies. Secondly, various initiatives and programmes over the years have supported practical measures, including pilot projects and exchanges of information and people. These have facilitated cooperation between many different parties throughout Europe in seeking to improve vocational training.

The framework for the common vocational training policy of the Treaty of Rome was established in a legally-binding decision in 1963.[1] It was subsequently adapted over the years through non-legally binding policy statements, which as well as giving political direction, provided for some practical measures to be funded. Despite not having legal force, the policy statements and the measures they introduced were effective because they received firm political backing from the Member States at a senior level.

However, in the early 1980s, it was agreed to fund action at European level in respect of vocational training as well as in other areas only through legally-binding instruments. This, together with European Court of Justice decisions, led to concern among Member States over the extent of Community influence over national education and vocational training policy. In consequence, the common vocational training policy of the Treaty of Rome was changed in 1992 to a Community vocational training policy to support and supplement national actions, so making explicit what was implicit before, that responsibility for the content and structure of vocational training rests with the Member States.

The Community vocational training policy has continued to be developed through non-legally binding instruments and implemented through well-established methods of cooperation. However, the quickening pace of economic and social change, together with the growing interest in lifelong learning as a policy response, is challenging the organisation, structure and content of vocational training in the Member States.

The above developments are mapped out in this chapter, which in so doing argues for a more focused vocational training policy framework at European level to support the development of lifelong learning. It also illustrates how the social partners have exercised growing influence over the development of policy, examines the contribution of vocational training to the free movement of workers and outlines the development of the European Social Fund, from promoting employment and geographical mobility to improving economic and social cohesion. The chapter concludes with a brief look at the way in which vocational training policy at European level is being used to support transition and change in the countries of central and eastern Europe.

The Treaty of Rome: a common vocational training policy

The Treaty of Rome set up the European Economic Community (EEC) to establish a common market and approximate progressively the economic policies of its Member States. In the social area, it gave the European Commission the task of promoting close cooperation between Member States, including in matters relating to basic and advanced vocational training. It also created the European Social Fund to improve employment opportunities and raise living standards. As part of the social provisions under the Treaty of Rome, Article 128 stated that the Council of Ministers shall lay down:

... general principles for implementing a common vocational training policy capable of contributing to the harmonious development both of the national economies and of the common market.

These were agreed in the Council Decision of 2 April 1963 laying down general principles for implementing a common vocational training policy (see Box). The 1963 decision set out the types of cooperation envisaged and, despite subsequent changes to the Treaty, it remains in force.

Close and varied cooperation

From the political perspective, the common vocational training policy was to involve close and varied cooperation at European level. It was defined as coherent and progressive action to be carried out at both Member State and European level to implement the ten principles in the 1963 decision. Coherence was supported by a set of fundamental objectives in the second principle of the decision, setting out what cooperation in vocational training was to achieve.

Council Decision of 2 April 1963 laying down the principles for implementing a common vocational training policy

First principle

A common vocational training policy means a coherent and progressive common action which entails that each Member State shall draw up programmes and shall ensure that these are put into effect in accordance with the general principles contained in this decision and with the resulting measures taken to apply them.

The general principles must enable every person to receive adequate training, with due regard for freedom of choice of occupation, place of training and place of work.

These general principles must deal with the training of young persons and adults who might be or already are employed in posts up to supervisory level.

It shall be the responsibility of the Member States and the competent institutions of the Community to apply such general principles within the framework of the Treaty.

Second principle

The common vocational training policy shall have the following fundamental objectives:

- to bring about conditions that will guarantee adequate vocational training for all;
- to organise in due course suitable training facilities to supply the labour forces in the different sectors of economic activity;
- to broaden vocational training on the basis of a general education, to an extent sufficient to encourage the harmonious development of the personality and to meet requirements arising from technical progress, new methods of production and social and economic developments;
- to enable every person to acquire the technical knowledge and skill necessary to pursue a given occupation and to reach the highest possible level of training, whilst encouraging, particularly as regards young persons, intellectual and physical advancement, civic education and physical development;
- to avoid any harmful interruption either between completion of general education and commencement of vocational training or during the latter;
- to promote basic and advanced vocational training and, where appropriate, retraining, suitable for the various stages of working life;
- to offer every person, according to his inclinations and capabilities, working knowledge and experience, and by means of permanent facilities for vocational advancement, the opportunity to gain promotion or to receive instruction for a new and higher level of activity;
- to relate closely the different forms of vocational training to the various sectors of the economy so that, on the one hand, vocational training best meets both the needs of the economy and the interests of the trainees and, on the other hand, problems presented by vocational training receive the attention which they deserve in business and professional circles everywhere.

Third principle

When the common vocational training policy is put into operation, special importance shall be attached:

- to forecasts and estimates, at both national and community levels, of the quantitative and qualitative requirements of workers in the various productive activities;
- to a permanent system of information and guidance or vocational advice, for young people and adults, based on the knowledge of individual capabilities, training facilities and employment opportunities, operating in close cooperation with the productive and distributive sectors of the economy, vocational training services and schools;
- to the opportunity for every person to have recourse to the system provided for above at any time before choosing his occupation, during his vocational training and throughout his working life.

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Fourth principle

In conformity with these general principles and in order to attain the objectives stated therein, the Commission may propose to the Council or to the Member States, under the Treaty, such appropriate measures as may appear to be necessary.

Moreover, in close cooperation with the Member States, the Commission shall carry out any studies and research in the field of vocational training which will ensure attainment of a common policy, in particular with a view to promoting employment facilities and the geographical and occupational mobility of workers within the Community.

Furthermore, it shall draw up a list of training facilities in the Member States and compare them with existing requirements with a view to determining what actions to recommend to the Member States, indicating an order of priority where necessary; should the occasion arise, it shall encourage the conclusion of bilateral or multilateral agreements.

The Commission shall follow the developments of such measures, compare the results thereof and bring them to the notice of the Member States.

When carrying out the tasks assigned to it in the field of vocational training, the Commission shall be assisted by a tripartite advisory committee, whose composition and rules shall be laid down by the Council after receiving the opinion of the Commission.

Fifth principle

In order to promote a wider knowledge of all the facts and publications concerning the state and development of vocational training within the Community, and to help keep current teaching methods up to date, the Commission shall take all suitable steps to collect, distribute and exchange any useful information, literature and teaching material among the Member States. It shall ensure in particular the systematic distribution of literature relating to innovations already in use or to be introduced. For their part, the Member States shall give the Commission all the necessary help and support to carry out these various tasks and, in particular, shall provide any useful information concerning the present state and development of national systems of vocational training.

Sixth principle

In cooperation with the Member States, the Commission shall encourage such direct exchanges of experience in the field of vocational training as are likely to enable the services responsible for vocational training and specialists in such field to acquaint themselves with and study the achievements and new developments in the other countries of the Community in matters of vocational training.

Such exchanges shall be brought about in particular by means of study seminars and by programmes of visits and stays at vocational training institutions.

Seventh principle

The suitable training of teachers and instructors, whose numbers should be increased and whose technical and teaching skills should be developed, shall be one of the basic factors of any effective vocational training policy.

Member States shall, with the assistance of the Commission where necessary, encourage any measures which are likely to contribute to the improvement and development of such training, in particular measures to ensure a continuing adjustment to progress in the economic and technical fields.

The training of instructors recruited among specially qualified workers shall be encouraged. Harmonisation of instructor training shall be sought; all exchanges of experience and other similar appropriate means, and in particular, those mentioned in the sixth principle, may be used towards such harmonisation.

Special measures shall be taken in the Community countries to promote the basic training and advanced training of teachers and instructors for work in the less favoured regions of the Community and in developing states and territories, in particular those associated with the Community.

Eighth principle

The common vocational training policy must, in particular, be so framed as to enable levels of training to be harmonised progressively.

In cooperation with the Member States, the Commission shall, according to requirements, draw up in respect of the various occupations which call for specific training a standardised description of the basic qualifications required at various levels of training.

On this basis, harmonisation of the standards required for success in final examinations should be sought, with a view to the mutual recognition of certificates

and other documents confirming completion of vocational training; the Member States and the Commission shall encourage the holding of European competitions and examinations.

Ninth principle

In order to contribute to the achievement of an overall balance between the supply of and demand for labour within the Community, and taking into account the forecasts made for this purpose, the Member States and the Commission may cooperate in taking adequate steps, in particular when drawing up suitable training programmes. Such steps and programmes must aim at the rapid training of adults and vocational retraining, taking into account the situations caused by economic expansion or recession, technological and structural changes and the special requirements of certain occupations, occupational categories or specific regions.

Tenth principle

In the application of the general principles of the common vocational training policy, particular attention shall be given to special problems concerning specific sectors of activity or specific categories of person; special measures may be taken in this respect.

Measures taken with a view to attaining the objectives of the common vocational training policy may be jointly financed.

Furthermore, cooperation was also to be promoted with and between the social partners.

The decision provided for various types of cooperation to implement the principles, including studies and research, exchanges of information and experience and the drawing up of programmes by the Member States to be put into effect in accordance with the principles. A certain degree of harmonisation was also foreseen. The eighth principle stated that a common vocational training policy must be framed to enable levels of training to be progressively harmonised, with a view to the mutual recognition of qualifications. However, cooperation was not to be limited to all the Member States acting at the same time over the same issues. The decision encourages the European Commission to conclude multilateral or bilateral agreements, should the occasion arise.

Responsibility for implementing the principles lay with both the Member States and the European Commission. But the decision made no clear demarcation of responsibility between them as to how the principles should be implemented. Although it defined the areas covered by the common vocational training policy, namely training for all young people and adults who might be, or are already, employed in posts up to supervisory level, it did not define vocational training. It did, however, direct cooperation over vocational training policy towards key policy areas closely linked to the labour market. These policy areas included: ensuring access to vocational training throughout working life, equipping workers with the skills to meet the requirements of technological change and ensuring that training meets the needs of the economy as well as of particular groups, sectors or regions and the personal and professional interests of the individual concerned.

The absence of any clear demarcation of responsibility or definition of vocational training indicates that vocational training was not expected to be controversial. This was despite the reference in the eighth principle to levels of training being progressively harmonised.

However, the common vocational training policy was not the same as common policies in other areas, for example, in agriculture, transport or competition. In these latter areas, the decision-making powers at European level — also known as Community competence — were extensive, and, as appropriate, Member States were obliged to change national systems or arrangements to comply. Issues in these areas were decided in the Council of Ministers either by qualified majority voting or by unanimity after consultation with the European Assembly (subsequently the European Parliament). In contrast, action at European level to implement the common vocational training policy was much less stringent and could be decided in the Council of Ministers by simple majority vote, without any requirement to consult the European Assembly.

It also indicates that the type of intervention at European level foreseen in other common policy areas was not envisaged in the area of vocational training. Rather, efforts were to focus not on the structure or organisation of vocational training but on bringing about a convergence of standards, in terms of qualifications, certificates and examinations.

The 1963 decision laid the foundation for a common vocational training policy. The types of cooperation foreseen at European level to implement it were less politically integrated than in other common policy areas. Nevertheless, vocational training was regarded as an area where common action, on a bilateral or multilateral basis, was in the interests of the then European Economic Community as a whole and a degree of harmonisation, in terms of outcomes of training, was seen as desirable. Such action focused on developing the role of vocational training and its links with the labour market.

Implementing the common vocational training policy

This section summarises how the common vocational training policy under Article 128 of the Treaty of Rome was implemented and developed.

Taking the 1963 decision as the policy framework, implementation began with the institutionalisation of the role of the social partners alongside the Member States in the development of policy, with the setting up of the Advisory Committee on Vocational Training[2] (ACVT), in December 1963, to give opinions on questions of general importance or of principle concerning vocational training. This was followed by a European Commission recommendation initiating a reporting procedure to exchange information and experience on vocational guidance.[3] Work was also carried out on harmonising training levels to promote free movement of workers, and, in 1970, the Council adopted a recommendation on the European vocational profile for the training of skilled machine-tool workers.[4] However, the European Commission concluded in 1971[5] that work undertaken following the 1963 decision had not yielded the expected results. The reasons cited were a lack of experience in methods to turn abstract principles into working projects, insufficient distinction between short and long-term projects and inadequate resources.

The era of resolutions

From this point up until the mid-1980s, implementation of the common vocational training policy was characterised by a series of non-binding resolutions by the Council of Ministers (the approach was different in areas concerning the free movement of workers which is discussed later). These resolutions established the policy framework, setting out the key policy areas in which cooperation should take place. They acted as reference points for the development of national policies by reflecting the major economic and social debates in which vocational training had a role. They also outlined various measures to implement the framework and, as appropriate, indicated the action to be taken at European level and to be carried out by the Member States. By adapting the 1963 principles to modern needs, the resolutions developed vocational training into a more sophisticated instrument of labour market policy, as well as a tool for promoting social aims.

Following the 1971 guidelines calling for a renewed effort in vocational training, the first resolution was agreed in 1974.[6] It reinforced the importance of the common vocational training policy and the progressive attainment of its objectives. It provided for the establishment of the European Centre for the Development of Vocational Training (commonly known by its French acronym 'Cedefop'). Set up in 1975,[7] the centre was to provide technical expertise and information on vocational training, compile and distribute documentation, stimulate research and work on the approximation of training standards to promote the free movement of workers.

Economic and social change in the 1970s encouraged the use of vocational training to realise social aims by targeting measures at specific groups.

The first group to be targeted for special help was handicapped people in 1974.[8] The next was young people. Poor vocational preparation and a lack of basic skills were seen as two of the main problems contributing to unemployment among those under 25 being three times higher than the average for all age groups. To tackle these problems the Council introduced a range of measures based on two resolutions, one in 1976[9] to improve the transition from school to working life and another in 1979[10] on linking work and training for young people. These resolutions reinforced vocational training's links with education, which, although it did not feature in the Treaty of Rome, had been an area of cooperation since 1974 (see Box).

This period also saw vocational training developed as an instrument for promoting equal opportunities. The equal treatment directive in 1976[11] required Member States to ensure access to vocational guidance and vocational training without discrimination on the grounds of sex. In recognising that equality of opportunity for access to

Fourth principle

In conformity with these general principles and in order to attain the objectives stated therein, the Commission may propose to the Council or to the Member States, under the Treaty, such appropriate measures as may appear to be necessary.

Moreover, in close cooperation with the Member States, the Commission shall carry out any studies and research in the field of vocational training which will ensure attainment of a common policy, in particular with a view to promoting employment facilities and the geographical and occupational mobility of workers within the Community.

Furthermore, it shall draw up a list of training facilities in the Member States and compare them with existing requirements with a view to determining what actions to recommend to the Member States, indicating an order of priority where necessary; should the occasion arise, it shall encourage the conclusion of bilateral or multilateral agreements.

The Commission shall follow the developments of such measures, compare the results thereof and bring them to the notice of the Member States.

When carrying out the tasks assigned to it in the field of vocational training, the Commission shall be assisted by a tripartite advisory committee, whose composition and rules shall be laid down by the Council after receiving the opinion of the Commission.

Fifth principle

In order to promote a wider knowledge of all the facts and publications concerning the state and development of vocational training within the Community, and to help keep current teaching methods up to date, the Commission shall take all suitable steps to collect, distribute and exchange any useful information, literature and teaching material among the Member States. It shall ensure in particular the systematic distribution of literature relating to innovations already in use or to be introduced. For their part, the Member States shall give the Commission all the necessary help and support to carry out these various tasks and, in particular, shall provide any useful information concerning the present state and development of national systems of vocational training.

Sixth principle

In cooperation with the Member States, the Commission shall encourage such direct exchanges of experience in the field of vocational training as are likely to enable the services responsible for vocational training and specialists in such field to acquaint themselves with and study the achievements and new developments in the other countries of the Community in matters of vocational training.

Such exchanges shall be brought about in particular by means of study seminars and by programmes of visits and stays at vocational training institutions.

Seventh principle

The suitable training of teachers and instructors, whose numbers should be increased and whose technical and teaching skills should be developed, shall be one of the basic factors of any effective vocational training policy.

Member States shall, with the assistance of the Commission where necessary, encourage any measures which are likely to contribute to the improvement and development of such training, in particular measures to ensure a continuing adjustment to progress in the economic and technical fields.

The training of instructors recruited among specially qualified workers shall be encouraged. Harmonisation of instructor training shall be sought; all exchanges of experience and other similar appropriate means, and in particular, those mentioned in the sixth principle, may be used towards such harmonisation.

Special measures shall be taken in the Community countries to promote the basic training and advanced training of teachers and instructors for work in the less favoured regions of the Community and in developing states and territories, in particular those associated with the Community.

Eighth principle

The common vocational training policy must, in particular, be so framed as to enable levels of training to be harmonised progressively.

In cooperation with the Member States, the Commission shall, according to requirements, draw up in respect of the various occupations which call for specific training a standardised description of the basic qualifications required at various levels of training.

On this basis, harmonisation of the standards required for success in final examinations should be sought, with a view to the mutual recognition of certificates

the legal system. The directive on the recognition of higher education diplomas, adopted in 1988 and applying to courses lasting at least three years, was also concerned with free movement. A second system was introduced on the same lines in 1992 (see main text). In 1993, the Council established a right of residence for students from other Member States.

Equal opportunities was also a matter of growing importance as regards cooperation over education. In 1985, Member States agreed a resolution[17] containing a series of measures for them to implement nationally, taking due account of their legal, economic, social and cultural characteristics, to promote equal opportunities for girls and boys in education.

The debate on lifelong learning encouraged by the European Commission's 1993 white paper on growth, competitiveness and employment (see main text), also encouraged consideration of education systems. In particular, it argued for a closer relationship between higher education and the business world and for universities to play a role in the development of lifelong learning in partnership with the public and private sectors at national and regional level. The Council conclusions on a strategy for lifelong learning in December 1996 (see main text) identified a series of challenges for the school system, including ways of supporting children with learning difficulties and of promoting the use of multimedia tools in education. Furthermore, as part of a strategy for lifelong learning the Council argued for exploring the potential of new partnerships and developing links between general education and vocational training. The performance of schools in reducing the number of young people leaving the education system unqualified is one of the indicators monitored in the guidelines of the European employment strategy (see main text).

training is essential if equality of opportunity in employment is to be a reality, it defined a role for vocational training in creating a more equal society.

The problem of rising unemployment persisted and, by the early 1980s, was affecting all age groups. Long-term unemployment, in particular, was increasing substantially (by the mid-1980s over half of the unemployed had been out of work for over a year). These difficulties raised expectations about the role of vocational training as an instrument of labour market and employment policy. The common vocational training policy framework continued developing through a series of Council resolutions. Vocational training was seen as having a central role in improving the match between the demand for and supply of labour, helping people who were long-term unemployed and, as a new role, promoting the development of small and medium-sized enterprises (SMEs). The early 1980s were also marked by a growing awareness of the impact of new technology as a major driving force of change. In a resolution in 1983,[18] the Council accorded a major role to vocational training in equipping workers with the capacity to adapt to changes brought about by new technology, an adaptation essential not only to keep down unemployment but also to exploit the economic potential of new technology and encourage its widespread implementation.

In July 1983, the Council updated the common vocational training policy framework through a resolution on vocational training policies in the 1980s.[19] Its aim was to strengthen the implementation of the common vocational training policy and it outlined the strategic role of vocational training which was to be developed as:

(a) an instrument of active employment policy to promote economic and social development and adjustment to the new structure of the labour market;

(b) a means of ensuring that young people are properly prepared for working life and their responsibilities as adults;

(c) an instrument for promoting equal opportunities for all workers as regards access to the labour market.

The resolution reflected the way in which economic and social change during the 20 years after the decision laying down the principles for the implementation of the common vocational training policy had significantly altered the profile and importance of vocational training. It was now seen as strategic to the achievement of both economic and social aims. Unemployment in 1983 was substantially higher than in 1963 — particularly amongst specific groups, such as young people. New technology was changing job content, demanding more from workers in terms of skills to improve productivity and competitiveness

and causing shifts in employment from industry to the service sector. The structure of the labour market was also changing, with more women entering the work force and a growing number of men leaving it. These changes posed problems for all groups, but especially for young people who lacked work experience to get jobs and who needed additional support.

In response to the challenges posed by change over the years, the Member States had pooled their experience. Benefiting from the wider European debate, they agreed resolutions that implemented and developed the common vocational training policy through a framework that was not legally binding, but which had strong political backing.

In this way, the European level became established as a reference point for the development of national vocational training polices. This role was reinforced by the European Council which, in March 1982, agreed that Member States would take measures to ensure that over the next five years all young people entering the labour market for the first time would receive vocational training or work experience.[20] This was reflected in the July 1983 resolution under which Member States committed themselves to ensuring that all young people who wished, especially those without qualifications, could benefit from a six-month or, if possible, a one-year full-time basic training programme, work experience, or a combination of the two.

While the European level acted as a reference point, Member States retained freedom to decide how to implement the common vocational training policy and kept control over the structure, content and organisation of vocational training in their own countries. The resolutions, as appropriate, distinguished between action at European and Member State levels and, in so doing, addressed a number of the issues concerning the demarcation of responsibilities not covered in the 1963 decision. Furthermore, the 1983 resolution emphasised the need for flexibility in the implementation of policies at European level and the need to respect the diversity of national systems. Although there was cooperation in areas of common interest, it was not seen as leading to vocational training systems becoming more alike, but rather as Member States approaching similar problems in different ways.

Although they did not have specific budgets to carry out the actions they proposed (the European Commission was to use its own funds and seek additional finance from the Council as appropriate), the resolutions were innovative in introducing new forms of cooperation, which, over the years, had deepened and widened. They incorporated reporting procedures to analyse the experience of Member States in particular areas, including study visits for specialists and workshops for teachers and trainers of teachers, experimentation through pilot projects, joint undertaking of research, networks, cooperation over statistics, exchanges of information and experience and the establishment of technical expertise in Cedefop. Cooperation, therefore, was not just at the policy-making level and between government representatives, but also between researchers and practitioners, directly involving those most closely concerned with the problems identified.

However, the development and implementation of the common vocational training policy through non-legally binding resolutions, backed up by commitments at a senior political level, changed in the mid-1980s, following an agreement between the European Communities' institutions that Community funding should be sanctioned by a legal instrument based on the Treaty. This change was to have important repercussions.

The age of the action programme

During the period 1986 to 1993, a number of European Community vocational training action programmes were established through legally-binding decisions based (but not always exclusively) on Article 128 of the Treaty of Rome (see Box). Each programme was concerned with a specific aspect of the common vocational training policy, developing the role of vocational training in adapting to change, supporting young people, improving continuing training or promoting cooperation in higher education and language learning.

The role of vocational training in adapting to change was pursued through the first action programme, called Comett, on cooperation between universities and enterprises on vocational training over new technology, adopted in July 1986.[21] Comett's transnational networks of university-enterprise partnerships to encourage training in the development and application of new technolo-

Vocational training action programmes, 1986–1993

The Comett I programme (1986–89) on cooperation between universities and enterprises regarding training in the field of new technology had a budget of ECU 45 million. It financed some 1 300 projects and established 125 university-enterprise training partnerships. The second phase of the programme, Comett II (1990–94) had a budget of ECU 200 million (including the EFTA contribution).

The Erasmus programme (1987–95), setting up the European Community action scheme for the mobility of university students, had a budget of ECU 500 million.

The Petra programme (1987–91) for the vocational training of young people and their preparation for adult and working life had a budget of ECU 40 million. Approximately 75 000 young people benefited directly from the programme, along with more than 10 000 teachers and trainers. Petra II (1992–94) had a budget of ECU 104.2 million.

The Lingua programme (1990–94) to promote foreign language competence in the European Community had a budget of ECU 153 million. More than 7 000 language teachers received in-service training and 33 000 teachers participated in exchanges.

Force (1991–94) focused on the quality and quantity of continuing vocational training (CVT). It had a budget of ECU 88 million and financed 720 projects involving the transfer of expertise and innovation in continuing vocational training.

The Eurotecnet programme (1990–94) to promote innovation in the field of vocational training resulting from technological change in the European Community had a budget of ECU 9.2 million. It provided funding for the networking of innovative projects in vocational training and for transnational research on specific themes linked to vocational training.

Helios (1988–91), and Helios II (1993–96) promoted the social integration and independent lifestyle of people with disabilities.

Helios II(1993–96) had a budget of ECU 37 million and enabled 1150 organisations working for the disabled to take part on an ongoing basis in discussions and exchanges with similar organisations in other Member States, in particular in the areas of training and preparation for working life.

gies was a new form of cooperation involving, in a practical way, the tertiary education sector in the implementation of the common vocational training policy. In December 1988, Comett II was introduced.[22] It was very similar to its predecessor, but added the dimension of innovation and technology transfer. Complementing the Comett programmes in facilitating adaptation to change was the Eurotecnet programme, adopted in December 1989, which networked transnational innovation projects.[23]

Vocational training continued to be used as a tool for promoting the integration of people with disabilities through the Helios programme adopted in 1988[24] and 1993.[25]

Support for young people and their transition from school to working life continued with the Petra programme adopted in December 1987.[26] The purpose of this was to support and supplement activities of the Member States in their pursuit of the objective set by the European Council in June 1985[27] to ensure that all young people so wishing, should receive at least one year, or if possible, two or more years of vocational training in addition to compulsory full-time education. In July 1991, the Petra II programme was adopted.[28] It had the same objectives as its predecessor, but included vocational training and work experience placements in other Member States, which had previously been organised under young worker exchange programmes but now became part of the common vocational training policy.

With fewer young people entering the labour market and rapid technological development tending to make skills acquired during initial training obsolete after a number of years, growing importance was attached to continuing vocational training. In May 1990, the Force programme was adopted,[29] following a Council Resolution of June 1989. It encouraged action to promote access to continuing vocational training and encouraged enterprises to regard expenditure on

vocational training as an integral part of their strategic planning and so as an investment rather than as part of current costs.

Cooperation in education was also developed through action programmes. In June 1987, the Council adopted the Erasmus programme[30] to support and encourage student exchange between universities in different Member States. In 1989, Erasmus was amended and extended to 1994.[31] In July 1989, Lingua[32] was adopted to promote foreign language competence in the European Community by increasing the possibility for university students to combine foreign language study with their main subject and to improve their language skills.

The action programmes built upon well-established methods of cooperation — a framework of common objectives, pilot projects, networks, exchange programmes and research. Cooperation continued at both policy-making and practitioner levels, with an enhanced role for the social partners through their inclusion in the committees overseeing the implementation of Comett, Petra, Force and Eurotecnet and as active participants in the actions supported by the programmes.

However, this phase of cooperation between the European Commission and the Member States did not always go smoothly. The requirement to have legal instruments to fund Community actions led to differences, not over the types of cooperation, but over the definition of vocational training and consequently over the extent of EU competence over the development of national polices.

Developments leading to a treaty change

Until the action programmes, the only legally-binding instrument based on Article 128 of the Treaty of Rome was the 1963 decision setting out the principles for the implementation of the common vocational training policy and the establishment and rules of the Advisory Committee on Vocational Training. For an instrument to be agreed under Article 128, only a simple majority of the Council was required. Consultation with the European Parliament was not mandatory.

The Comett decision, establishing the first action programme, was adopted in 1986 under Articles 128 and 235 — the 'catch-all' article enabling action to be taken where specific treaty articles did not exist. Adding Article 235 required unanimity in the Council, after consulting the European Parliament, to agree to the proposal. This dual legal base process was subsequently used to agree the Erasmus and Lingua programmes, as well as the Helios programmes to assist people with disabilities. However, the European Commission's proposal to amend the Erasmus programme in 1989 proved problematic — not because of its measures, but because it was based only on Article 128, dropping the additional reference to Article 235 which had been used to adopt the programme originally in 1987. The Council added Article 235, but this was contested by the European Commission in a case before the European Court of Justice (ECJ).[33]

The Erasmus case revealed sharp differences between Member States and the European Commission over the extent of Community competence in the area of vocational training. Member States were concerned about the possibility of Article 128 being used to introduce, by a simple majority of the Council, legal obligations to implement the common vocational training policy. Furthermore, they were concerned over the extension of the policy into education, as the Erasmus programme dealt with university exchanges.

The ECJ decided that it was not necessary to add Article 235. Referring to earlier judgements, the ECJ concluded that Article 128 did provide for legal measures that could impose corresponding obligations of cooperation on the Member States, including those that might require changes to the organisation of their education and vocational training systems. The ECJ also stated that, for the most part, higher education came under the remit of a common vocational training policy, as education which prepares for a particular profession, trade or employment is vocational training, and, in general, university education fulfils these conditions.

The judgement interpreted Article 128 and the 1963 decision in a way which, to the Member States, extended the scope for action at the European level in the areas of education and vocational training. This was of concern to them since, from the outset in the Council in 1974, it had been stated that cooperation in education must make allowance for the traditions of each country and the diversity of their respective policies and systems. Vocational training resolutions over the years had also distinguished between actions at Member State and Eu-

ropean levels. In addition, the action programmes contained references to the need for action at European level to respect the diversity of custom and practice and the powers of national law. However, while these distinctions, which were such an important part of policy in the past, might not be ignored, they now appeared weaker and likely to have less influence on shaping future action at European level.

Alongside what they saw as a weakening of their position, the Member States became increasingly concerned over the prospect of a legally-binding European-wide instrument on access to vocational training. These concerns were fuelled by the Social Charter of Fundamental Workers' Rights adopted during the French presidency in 1989, which was a non-binding document listing a number of 'rights' for workers.[14] It included the right of access to vocational training throughout working life and proposed setting up continuing training systems providing for training leave. The Social Charter was followed by a number of proposals from the European Commission to implement it, which became known as the Social Action Plan. The plan contained nothing on access to vocational training, but the possibility of a proposal for a legally-binding instrument on access to vocational training introducing statutory entitlements to training leave — which if proposed under Article 128 would require only a simple majority in the Council to be adopted — led to considerable unease and intense political debate.

The debate reflected a number of interests and issues at stake. The question was not about the need for action at European level in vocational training, but rather about the type of action which was appropriate. The Member States had seen the European role in vocational training as a complementary one. However, the European Community's goal was to act in the best interests of the single market, which could have involved regulation in respect of vocational training.

The debate was a complex one with conflicting interests involved. On one hand, there were grounds for strengthening the role of the European level in vocational training policy. Following the Single European Act of 1986 and the drive to complete the single market by the end of 1992, the pace of European integration had quickened. The completion of the single market was an objective shared by all and the Member States accepted that vocational training was important to the single market. The economic and social changes that had encouraged closer cooperation in the area of vocational training, were acting as a force for the creation of the single market, but were also being speeded up by it. Technological change required higher skill levels generally, and a European Community-wide entitlement to training leave would ensure that even those unlikely to receive vocational training would have greater access to it. The social partners' joint opinion on ways of facilitating the broadest possible access to training opportunities of 21 September 1991 highlighted the importance of vocational training to the success of the single market and of access to training for workers in SMEs. They were in favour of the development of guarantees of access, enabling workers to benefit from training throughout their working lives, but they added that arrangements should be compatible with national practices and be agreed between employers and employees or their representatives.

On the other hand, particularly from the perspective of Member States, the key principle of subsidiarity — that the European level should act only where objectives could not adequately be achieved at national or local levels — and whether action in this area was desirable at European level (even though it was just a possibility), irrespective of the degree of support for any such proposal, was critical.

A number of factors needed to be taken into account. One was the impact on existing national arrangements. There was entitlement to training leave in many Member States, but the arrangements were varied and not universal. The problem, however, was not one of administrative inconvenience. The organisation and systems of vocational training in the Member States reflected the different choices made over the years in the light of their differing social, economic and cultural characteristics. These, in effect, were the outcome of striking a sometimes delicate balance between a wide range of interests — of national, regional and local government, the social partners, vocational training providers, certification bodies, sector and trade associations, professional bodies and individuals — and which involved the expenditure of large sums of public and private money on vocational training. The impact on these various interests within the Member States — some of which would favour action at European level on access while others would not — in terms, for example, of the additional cost to businesses, enforcement and the choice between a centralised and decentralised approach, could not be

overlooked. For instance, the social partners, in their joint opinion mentioned above, had indicated that where entitlement to training leave was a matter dealt with by collective agreement, it should remain so.

Also at stake was the question of precedent. Even if a Member State supported legally-binding action at European level on access, there would be no guarantee *that future proposals in the area* of vocational training would be palatable. Given that such a proposal *could* be adopted by a simple majority in the Council, a Member State could find itself having to implement nationally a policy which it did not support. Such a precedent could also be far-reaching following the rulings of the ECJ, which had, to a considerable extent, brought higher education firmly into the remit of a common vocational training policy.

There was, therefore, much unease over legally-binding action at European level in this area. After weighing up the issues, the Member States decided that they did not want action at European level that might impose legal obligations upon them to change the organisation of their education and vocational training systems, and certainly not action that could be decided by a simple majority in the Council.

In this case, politics overruled economics. The Member States decided that, although vocational training was important to the single market, politically it was more important for them to retain full responsibility for it. Times had changed since Article 128 and the 1963 decision. The objective of close cooperation leading to the harmonisation of standards in vocational training, that had seemed appropriate for a Community of six founding Member States in 1957, was no longer suitable for a Community of 12, with four more countries (Austria, Norway, Finland and Sweden) negotiating to join. Differences in vocational training systems and arrangements in Member States and their close attachment to them, coupled with the importance of education to their culture and the structure of their society, led Member States to conclude it was necessary to look again at the idea of a common vocational training policy and what it meant.

The Inter-Governmental Conference that opened in 1991 planned the steps towards economic and monetary union and provided Member States with the chance to revise the social chapter of the Treaty of Rome, including Article 128. They took the opportunity. The common vocational training policy was replaced by a Community vocational training policy to support and supplement activities of the Member States under Article 127 of the Treaty on European Union, signed in Maastricht in 1992.[15] Action under Article 127 was to be decided in the Council by qualified majority after consultation with the European Parliament and no longer by simple majority. It was made clear that Member States were responsible for the content and organisation of vocational training, and harmonisation of their laws and regulations concerning vocational training was specifically ruled out. Education was separated from vocational training policy and was given a separate legal base in Article 126, upon which future cooperation in this area was to be based. Harmonisation in education was also ruled out.

After the Maastricht Treaty was signed, but before it came into force, a non-binding recommendation on access to continuing training was agreed in June 1993.[16] It was the last act under the common vocational training policy.

The recommendation drew heavily on the joint opinion of the social partners in 1991, on ways of facilitating the broadest possible effective access to training opportunities, mentioned earlier. It did not seek to regulate vocational training systems and, interestingly, made no reference to training leave. Instead, its proposals centred on enterprises, encouraging them and local and regional development authorities to regard continuing vocational training as a strategic planning tool and expenditure on it as an investment. It called upon Member States to provide incentives to promote training where it was weak, drawing attention to groups of workers less likely to receive training. A procedure was set up for Member States to report on progress after three years.

Through its timing, the recommendation in many ways anticipated the new policy of supporting and supplementing action at Member State level. In eschewing regulation and in outlining a market-oriented, 'bottom-up' policy approach to the development of continuing vocational training to complement the practical approach of its action programmes, the recommendation set the tone for future developments.

A new treaty, but not a new policy

Despite the changes introduced by the Maastricht Treaty, the Member States did not — and did not seek to — alter the nature of vocational training policy followed under the Treaty of Rome. They continued the approach that had characterised the common vocational training policy, since the five aims of the Community vocational training policy in the Article 127 of the Maastricht Treaty reflected the major policy areas established under the former (see Box). The changes had been introduced to rule out the possibility of intervention at the European level in Member States' vocational training systems, while continuing the various forms of practical cooperation.

In addition to the new article on vocational training, the Maastricht Treaty included, as an annex, an agreement on social policy[17] (the social protocol) concluded between all Member States with the exception of the UK.[18] Vocational training was part of a debate on providing more powers for the social partners at Community level in respect of social policy. The social protocol provided for contractual agreements between the social partners at EU level, which could then be implemented by the Council on a proposal from the European Commission. Although the development of human resources was one of the objectives included in the social protocol, it was very cautious in its treatment of vocational training. Any contractual agreements between the social partners in the area of vocational training were limited to the integration of people excluded from the labour market and any such agreements were to be without prejudice to the vocational training article of the Treaty. This demonstrates that although the 11 Member States which had signed the social protocol supported a greater role for the Community in social policy, they still wished to avoid any legally-binding proposals that might impinge upon their responsibility for the content and organisation of vocational training, as well as any proposals for harmonisation.

Treaty on European Union — Article 127

1. The Community shall implement a vocational training policy which shall support and supplement the action of the Member States, while fully respecting the responsibility of the Member States for the content and organisation of vocational training.

2. Community action shall aim to:

   (a) facilitate adaptation to industrial changes, in particular, through vocational training and retraining;

   (b) improve initial and continuing training in order to facilitate vocational integration and reintegration into the labour market;

   (c) facilitate access to vocational training and encourage mobility of instructors and trainees and particularly young people;

   (d) stimulate cooperation on training between educational and training establishments and firms;

   (e) develop exchanges of information and experience on issues common to the training systems of the Member States.

3. The Community and the Member States shall foster cooperation with third countries and the competent international organisations in the sphere of vocational training.

4. The Council, acting in accordance with the procedure referred to in Article 189c and after consulting the Economic and Social Committee, shall adopt measures to contribute to the achievement of the objectives referred to in this Article, excluding any harmonisation of the laws and regulations of the Member States.

Towards lifelong learning

As under its predecessor, the common vocational training policy, the new Community vocational training policy framework was developed through non-legally binding instruments. In line with tradition, the Council agreed a resolution in June 1993[19] which re-emphasised the importance of the role of vocational training in the key policy areas of adapting to change, supporting young people, combating unemployment and social exclusion, stimulating cooperation between education and training organisations and firms, and promoting mobility. But the resolution also pointed to the need to strengthen links between the general education and vocational training systems

The five objectives of the *Teaching and learning: towards a learning society* white paper (1995)

(a) To encourage the acquisition of new knowledge through the introduction of a European system of accreditation of technical and vocational skills;

(b) to bring about closer cooperation between schools and business through apprenticeships and training;

(c) to combat social exclusion by offering second-chance education to those affected;

(d) to ensure proficiency in three Community languages;

(e) to equalise treatment of capital and training investment.

— to provide broad based vocational training for young people — and to strengthen links between initial and continuing training. Issues that were to become elements in an evolving policy of lifelong learning.

The European Commission also contributed to the Community vocational training policy framework, and the development of lifelong learning, through its 1993 white paper, *Growth, competitiveness, employment — the challenges and ways forward into the 21st Century*.

The white paper set out a strategy to achieve more employment-intensive growth in the EU, arguing that vocational training had a role to play both in combating unemployment and in boosting competitiveness. But to play this role, education and vocational training systems had to adapt to meet new demands. A number of major weaknesses in the systems were identified, namely, a deficiency of skills in science and technology, a relatively high number of young people in Europe leaving school without basic training (which in turn contributed to social exclusion), inadequate development of systems of continuing training and access to it, a lack of a genuine European skills market in both skills and qualifications and a lack of opportunities for open and distance learning.

To address these weaknesses, the white paper put forward a number of proposals aimed essentially at developing lifelong learning and continuing training and making it more systematic. To support this process, the white paper encouraged analysis of vocational training systems and ways in which cooperation between the different interests involved could be improved and, to this end, proposed a European Year of Lifelong Learning, which took place in 1996.[10] This was timely as it coincided with policy debates and a groundswell of interest in lifelong learning, prompted by a sense of accelerated economic and social change and the need for traditional education and vocational training systems to adapt to provide an adequate response. The purpose of the European year was to raise awareness of the need and desirability of people continuing to learn throughout their lifetime and to stimulate debate as to how systems could cater for this. Despite only a modest budget — ECU 8 million — the European year stimulated a lot of interest. More than 2 000 project proposals were submitted and over 500 selected. Launching a coordinated initiative across the EU stimulated an exchange of ideas and good practice, both at national and European levels, and encouraged reflection amongst a wide audience on how to improve existing arrangements.

The development of the policy framework continued with a Commission white paper specifically on education and vocational training, *Teaching and learning — towards the learning society*, published in 1995. In response to what it defined as the three developments having the most profound effect on European society — the internationalisation of trade, the information society and the progress of science and technology — it suggested that education and vocational training policies should be aimed at broadening the knowledge base and improving employability. The white paper's proposals, put forward as five objectives (see Box) — although clearly set in the context of the established key policy areas of the role of vocational training in improving employment and combating social exclusion — continued the process of analysing the systems and ways that they could be improved.

In recognition of the importance of qualifications to finding a job, the white paper advocated developing lifelong learning by more flexible approaches, which accredited learning acquired outside traditional education and vocational training systems. It also advocated integrating into apprenticeships a period of learning or work

A strategy for lifelong learning

The Council conclusions on a strategy for lifelong learning in 1996 identified the following as a framework of areas for further development:

(a) challenges for the school system;

(b) economic and social considerations;

(c) continuing education and training;

(d) pathways and links between general and vocational education;

(e) access, certification and accreditation;

(f) teachers and adult educators.

experience abroad as a means of acquiring many key social skills needed to improve employability. In addition, the white paper argued for more language learning in vocational training, both as a cultural experience and as a way of improving job prospects, by enabling people to take advantage of being able to move freely between Member States in search of employment. To combat social exclusion, it proposed second-chance schools to help young people leaving education without qualifications. Although the proposal met with some criticism, it again focused on ways of making systems more adaptable. Finally, the white paper encouraged analysis of the way that policies in other areas, particularly tax legislation, might act as a disincentive or incentive to investment in vocational training.

The focus on lifelong learning, encouraged by the two Commission white papers and the European year, was continued by the Council, which, at the end of the European year, outlined a strategy in this regard. The Council's conclusions stated that lifelong learning — which it saw as an evolving concept — was essential to meet the challenges posed by social, economic and technological change and this, in turn, had implications for existing attitudes towards education and vocational training and their organisation. It listed a number of principles on which a strategy for lifelong learning should be based and put forward a framework of areas for further development (see Box). The Council invited subsequent presidencies to consider the issues in the framework at their own discretion and in the light of their priorities and, where appropriate, to present further draft conclusions to the Council.

A significant aspect of the debate on lifelong learning was its focus on the need to adapt existing systems of education and vocational training. Previous debates and cooperation in key policy areas at European level had focused largely on the role of vocational training in contributing to the success of other polices — adaptation to change, improving employment prospects, particularly *for certain groups*, equal opportunities and the free movement of workers. However, the lifelong learning debate encouraged an appraisal of systems and the process of learning. The framework of areas for further development included those concerned with the structure of systems and the different interests involved and how to encourage cooperation between them, as well as how the systems themselves were influenced by the changes taking place. They also included others concerned with the science of learning, such as different pathways to learning and the combination of formal and non-formal learning. It was not that the learning process had been overlooked. Cooperation had long since been encouraged in the development of curricular and training material. The Council had also drawn attention to the need to develop open and distance learning and to increase the attractiveness of vocational training, its quality and the use of educational multimedia software.

However, the lifelong learning debate raised the profile of issues surrounding the learning process and the systems designed to deliver learning. It also emphasised issues concerning vocational training policy in its own right, rather than its role in other policy areas.

Implementing the Community vocational training policy: the Leonardo da Vinci programmes

Although the framework of the Community vocational training policy continued to be set by non-binding instruments, the measures to implement it still needed to be agreed through a legal instrument. The action programmes had been established for fixed periods and, as they came to an end, it was decided to rationalise and replace them with a single programme to implement the policy — the Leonardo da Vinci programme, introduced on 1 January 1995 (see Box).[41]

The aim was for the new programme to build on the strengths of its predecessors while taking account of the

growing interest in the development of lifelong learning. Bringing the measures together in a single programme was intended to break down some of the distinction between initial and continuing vocational training and between the education and vocational training sectors, distinctions that were reinforced by having separate programmes. However, the Leonardo da Vinci programme — later a subject of much controversy — was hampered from the outset as negotiations produced a structure that was extremely complex, with 19 objectives, four strands and 22 measures. This complexity undermined its ability to realise its overall aim.

The programme was strongly influenced by those it replaced and was essentially a combination of the Petra, Comett, Force and Eurotecnet programmes as well as of elements of the Lingua programme. It did not introduce any radically new measures, continuing the types of cooperation which had long been established in this area.

However, despite the aim of rationalising measures and promoting lifelong learning, the distinction between initial and continuing vocational training the programme sought to break down was effectively preserved, as measures for each were kept separate. The allocation of resources to particular measures was very prescriptive, guaranteeing a minimum level of expenditure for different types — initial vocational training, continuing vocational training, university-enterprise cooperation, pilot projects and placements — essentially following the structure of previous programmes and leaving little margin for manoeuvre. The selection procedures also differed for different measures, with the decision resting with Member States in some cases and with the European Commission in others, reflecting the different application procedures under the earlier programmes. Moreover, the structure for the implementation of the programme was complex. For example, at national level, some 44 different 'bodies' were responsible for support services for delivering the programme as 'national coordination units'. Ten countries had a single national coordination unit. France, Germany, the UK and Luxembourg, however, each had five or more bodies (organisations or divisions within government departments) involved in each case.

The vexed question of the balance of responsibility for vocational training between the European level and Member States also featured in the debate on the Leonardo da Vinci programme. The Commission proposed a common framework of objectives to act as a reference point for the development of national vocational training systems and policies. However, while Member States were prepared to accept political, non-legally binding objectives agreed at European level, they were not willing to accept a wider policy framework in a legally-binding instrument. Some Member States were of the view that such an approach was aimed at fostering harmonisation, ruled out by the Treaty. In the end, it was agreed that the common framework of objectives would apply only to measures in the programme.

The Leonardo da Vinci programme, 1995–1999

Under the Leonardo da Vinci programme, Community measures are divided into four strands:

(a) support for the improvement of vocational training systems and arrangements in the Member States;

(b) support for the improvement of vocational training measures, including university-industry cooperation, concerning undertakings and workers;

(c) support for the development of language skills, knowledge and the dissemination of innovation in the filed of vocational training;

(d) support measures.

This reluctance to move away from the structures created under the previous programmes revealed an unwillingness on behalf of Member States to take forward the policy in a way that really took account of the debate on the development of lifelong learning as well as those on competitiveness, the learning society, equal opportunities, language development and transnational mobility. Nevertheless, on a practical level, the programme encouraged cooperation and exchanges, though it is too early to judge what its impact has been.

Leonardo da Vinci II

From 1 January 2000, the Community vocational training policy will be implemented by the Leonardo da Vinci II programme (see Box)[42]. This again attempts to rationalise European action in respect of

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Leonardo da Vinci II, 2000–2006

The Leonardo da Vinci II the programme has three main objectives, to:

- improve and strengthen the social and occupational integration of young people;
- broaden and build up access to high quality continuing training and to lifelong skills;
- update skills and support vocational training systems to improve labour market integration.

These objectives will be pursued through six measures supporting:

- transnational mobility of people undergoing vocational training, especially young people, and for those responsible for training (mobility);
- pilot projects based on transnational partnerships designed to develop innovation and quality in vocational training (pilot projects);
- promotion of language skills and understanding of different cultures in the context of vocational training (language competence);
- development of transnational cooperation networks facilitating the exchange of experience and good practice (transnational networks);
- development and updating of reference material through support for surveys and analyses, the establishment and updating of comparable data, dissemination of good practice and exchange of information (reference material);
- joint actions with other Community actions promoting a Europe of knowledge, particularly the Community programmes in the fields of education and youth.

vocational training. The scope of Leonardo da Vinci I has been retained, insofar as the new programme supports mobility and pilot actions, covering innovative products, services and methodologies, as well as language development. In addition, it continues to be aimed at facilitating cooperation in the key policy areas of improving employability through the development of lifelong learning, support for young people, combating social exclusion and promoting equal opportunities. It is also concerned with other important areas, emphasising the contribution of vocational training to the innovation process and supporting projects on 'virtual mobility' and the use of new technologies as training tools to promote wider access and distance learning.

However, Leonardo da Vinci II is much simpler than its predecessor, having three objectives and five measures, which can be combined in projects. The new programme should, therefore, be sufficiently flexible to allow for individual interpretation by participating countries and to be complementary to national vocational training systems. At the same time, it should be sufficiently focused to provide a coherent operating context which should help its effect to be assessed, aggregated and disseminated.

The European Commission Communication *Towards a Europe of knowledge* (European Commission, 1997c) paved the way for the Leonardo da Vinci II programme. It argued for the construction of an open and dynamic European educational area comprising three dimensions — knowledge and the need to develop it on a permanent basis, the enhancement of citizenship and the improvement of employability through the development of skills. The new programme is also placed firmly in the context of the European employment strategy (see below). Nevertheless, unlike its predecessors the preamble to Leonardo da Vinci II — where the rationale for the programme is outlined — makes no reference to the wider Community vocational training policy framework as defined, for example, in Council conclusions and resolutions or in joint opinions of the social partners. Reference is made to one of the objectives in the teaching and learning white paper concerning mobility and the previous Leonardo da Vinci programme, but no reference is made to any other.

Although Leonardo da Vinci II is situated among a range of different actions and contributes towards a general policy aim, it is not part of a coherent policy framework which coordinates various activities working towards specific aims. Given the problems that arose under Leonardo da Vinci I, it is understandable that no attempt has been made to do this in any wider policy framework through a legally-binding decision. How-

The European employment strategy guidelines, 1999

The implementation of the European employment strategy is reported annually in national action plans for employment (NAPs) prepared by each Member States. The NAPs have a common framework built around the four pillars of the strategy:

(a) improving employability;

(b) developing entrepreneurship;

(c) encouraging adaptability of businesses and their employees;

(d) strengthening the policies for equal opportunities.

The four pillars together encompass 22 guidelines. Many of the guidelines contain provisions relating to vocational training or vocational training measures have been used in the Member States to implement them. These are as follows.

Improving employability

Guidelines 1 and 2: Offering every unemployed young person and unemployed adult a start before they reach 6 months and 12 months unemployment, respectively, in the form of training, work practice, a job or other employability measure.

Guideline 3: Increasing significantly the number of people benefiting from active measures to improve their employability.

Guidelines 5: Urging the social partners to conclude agreements to increase the possibilities for training, work experience, traineeships and other measures likely to promote employability.

Guideline 6: Developing the possibilities for lifelong learning.

Guideline 7 Improving the quality of school systems to reduce the number of young people who drop out of school.

Guideline 8 Ensuring the schools equip young people with the ability to adapt to technological and economic changes and with skills relevant to the labour market, where appropriate by developing apprenticeships.

Guideline 9: Giving special attention to the needs of people with disabilities, ethnic minorities and other disadvantaged groups and developing measures to promote their integration into the labour market.

Developing entrepreneurship

Guideline 11: Encouraging self-employment by reducing any obstacles to the setting up of small business and promoting training for entrepreneurship.

Encouraging adaptability of businesses and their employees

Guideline 16: Inviting the social partners to negotiate agreements for modernising the organisation of work, covering working time, the development of part-time working, lifelong training and career breaks.

Guideline 18: Re-examining the obstacles to investment in human resources and possibly providing for tax and other incentives for the development of in-house training.

Strengthening equal opportunities policies for women and men

Guideline 22: Giving specific attention to those considering a return to the paid work force and examining the means of gradually eliminating the obstacles in the way.

ever, not referring to any wider policy framework creates the impression that Leonardo da Vinci II is not so much an instrument to implement policy, but has, in effect, become the policy. Furthermore, this detracts from the important and constructive role the European level has played as a reference point for the development of national vocational training policies.

Vocational training and the European employment strategy

The debate on lifelong learning was complemented by the continued importance of vocational training as an active labour market measure to improve employment prospects. High levels of unemployment, reaching a peak of just over 11% in 1994, and the convergence of macroeconomic policy in preparation

for monetary union encouraged Member States to co-ordinate their approaches to employment policy and subsequently develop the European employment strategy.

The roots of this strategy lie in the conclusions of the Essen European Council in December 1994. Drawing from the *Growth, competitiveness, employment* white paper, the European Council included vocational training as one of five areas in which action was to be taken to tackle unemployment. Other areas included helping groups disadvantaged on the labour market, including school-leavers with no qualifications and the long-term unemployed. The European Council also established an annual reporting procedure on the progress made in each of the areas identified.

This process led to an extraordinary European Council on employment in Luxembourg in November 1997. The Council put into immediate effect the new employment provisions in the Treaty of Amsterdam — which had not yet come into force — formally to coordinate Member States employment policies from 1998. This involved establishing European-wide employment guidelines, with progress monitored by a reporting procedure in which each Member State was to submit an annual report — its national action plan (NAP) for employment— outlining developments in respect of the guidelines. The Council was to examine the reports and agree changes to the guidelines as appropriate.

For 1999, the European Council agreed 22 guidelines, 12 of which contain provisions relating to vocational training or which involved vocational training measures in their implementation (see Box). In the European employment strategy, vocational training is regarded as an important labour market policy measure, and its role, as in the past, is one of helping workers to adapt to change, improving employment prospects — especially for young people and those at a disadvantage in the labour market — and promoting equal opportunities. But it is important to see it as an integral part of a comprehensive package of measures, with vocational training programmes operating in combination with initiatives concerning, for example, employment services, tax and benefits systems, local and regional activities and action by the social partners.

Vocational training and the European social dialogue

Through their role on the Advisory Committee on Vocational Training established in 1963, the social partners contributed to the development of, first, the common and, second, the Community vocational training policy. They have increasingly influenced developments since the Single European Act (SEA) of 1986, which encouraged social dialogue at European level through their joint opinions on issues, including vocational training (see Box).

The joint opinions reflected the trends of economic and social change that shaped the development of training policy from the social partners' perspective. They encouraged the use of vocational training as an instrument of active employment policy to promote adaptation to change, the integration of young people into the labour market, social inclusion and equal opportunities.

The social partners' joint opinion of March 1987 on training and motivation, information and consultation highlighted the importance of the introduction of new technologies being accompanied by vocational training. Citing the joint opinion, the social partners were included in the committee overseeing the implementation of the Comett II programme established in 1988. This acted as a precedent for subsequent programmes — Force, Petra II and Eurotecnet — which involved them both in their management and as active participants in the measures supported.

The social partners also contributed to the development of the Community vocational training policy agreed in the Maastricht Treaty. Their joint opinion on the future role and actions of the Community in the field of education and training of July 1993 (followed by another in April 1995) drew attention to major objectives and challenges in terms of skill requirements. They argued for greater efforts in vocational training to prevent unemployment, on the one hand, and skill shortages, on the other. The social partners emphasised the importance of their involvement in the planning and implementation of national and European-level training programmes. It is interesting to note, in this regard, that the social partners' concerns — adapting to change, improving training to help integration into the labour market and bringing together the worlds of education, training and work — were all reflected in the policy aims set out in the Treaty.

Some important joint opinions of the social partners at European level (UNICE, ETUC and CEEP)

1. Joint opinion on the cooperative growth strategy for more employment — 6 November 1986.
2. Joint opinion concerning training and motivation, and information and consultation — 6 March 1987.
3. Joint opinion on the Annual Economic Report 1987/88 — 26 November 1987.
4. Joint opinion on the creation of a European occupational and geographical mobility area and improving the operation of the labour market in Europe — 13 February 1990.
5. Joint opinion on education and training — 19 June 1990.
6. Joint opinion on the transition from school to adult and working life — 6 November 1990.
7. Joint opinion on new technologies, work organisation and adaptability of the labour market — 10 January 1991.
8. Joint opinion on ways of facilitating the broadest possible effective access to training opportunities — 20 January 1991.
9. Joint opinion on the transition from school to adult and working life — 5 April 1991.
10. A renewed cooperative growth strategy for more employment — 3 July 1992.
11. Joint opinion on vocational qualifications and certification — 13 October 1992 .
12. Joint opinion on the future role and actions of the Community in the field of education and training, including the role of the social partners — 28 July 1993.
13. Joint opinion on women and training — 3 December 1993.
14. The framework for the broad economic policy guidelines — 5 December 1993.
15. Joint opinion on the contribution of vocational training to combating unemployment and reabsorbing the unemployed into the labour market in the light of the new situation created by the white paper — 4 April 1995.
16. The social partners' guidelines for turning recovery into a sustained and job-creating growth process — Joint opinion elaborated by the macroeconomic group of the social dialogue — 16 May 1995.
17. Joint Opinion of UNICE, ETUC and CEEP on the draft decision for the second phase of the Community programme for vocational training, Leonardo da Vinci II — 1 October 1998.

Source: www.trainingvillage.gr/etv/social partners

The agreement on social policy (the social protocol), annexed to the Maastricht Treaty in 1992 — incorporated into the Treaty negotiated at Amsterdam in 1997 — was, moreover, based almost entirely on a text jointly agreed by the social partners in October 1991.The agreement represented an important step forward as it provided for contractual agreements to be implemented through legally-binding action by the Council on the basis of a proposal from the European Commission.

However, this process is not the only way in which the social partners can and have influenced policy developments. As well as influencing the broad framework, they have, in addition, contributed to developments in specific areas. Their joint opinion on ways of facilitating the broadest possible effective access to vocational training opportunities in 1991 formed the basis of the access recommendation adopted in 1993, after much debate. Their joint opinion on vocational qualifications and certification of October 1992 emphasised the importance of transparency in qualifications in order for employers across Member States to understand their content. This was reflected in the Council resolution on transparency of vocational qualifications agreed in December 1992. The social partners' joint opinion of April 1995 reinforced the role of vocational training in combating unemployment and helping the unemployed find work and was taken into account in the development of the European employment strategy. More recently,

the social partners have been increasingly involved in development of the guidelines of the employment strategy and their monitoring.

The social partners have also expressed their views on the management of European Community action on vocational training. In July 1993, their joint opinion on the future role and actions of the Community in the field of education and training called for greater coherence in Community initiatives financed by the European Social Fund (ESF). In 1998, their joint opinion on the Leonardo da Vinci II programme supported the idea of simplifying management mechanisms for the second stage of the programme.

In May 1998, the European Commission and the social partners took the European level social dialogue into a new phase through the establishment of new sectoral dialogue committees. The setting up of these committees followed a series of important agreements reached in a number of sectors. The reorganisation of the sectoral social dialogue is expected to provide impetus for more focused activity along the lines of the priorities outlined in the European employment strategy guidelines.

Vocational training and the free movement of workers

There have been a number of ways in which vocational training has been used to promote the free movement of workers. These have centred on mobility programmes and on different initiatives to enable qualifications acquired in one Member State to be used to obtain a job in another, in particular, through mutual recognition, harmonisation of training levels, comparability of qualifications and transparency.

Mobility programmes

The first exchange programme for young workers was adopted in May 1964.[43] Although not strictly part of the common vocational training policy, an aim of the programme was to use the opportunity of working for a period in another Member State as a means of improving the training of young people. A second programme was introduced in July 1979[44] and a third in 1984.[45] From 1991, work placements for young people in vocational training were included in the Petra II programme and subsequently in the Leonardo da Vinci programmes. Since then, greater emphasis has been placed on integrating the period spent in another Member State into a young person's vocational training course, ensuring that it contributes towards their final qualification, for example in Europass training.[46]

Mutual recognition of qualifications

Directives on the mutual recognition of qualifications recognise the right of people to work in an occupation in another Member State without discrimination (see Box). Many of the early directives were transitional arrangements pending mutual recognition of the relevant laws. But negotiation proved arduous (for example, the directive on toxic products took six years to bring into effect), even after the Single European Act in 1986 made it possible to obtain agreement by qualified majority voting. However, directives for the general recognition of university qualifications and other vocational qualifications for regulated professions were adopted in 1988 and 1992.

Harmonisation of training levels

Unlike mobility programmes and mutual recognition, the harmonisation of training levels was a specific element of the common vocational training policy included in the eighth principle of the 1963 decision. As such, its focus was on vocational training for workers up to supervisory level. In 1970, the Council adopted the recommendation on the European vocational profile for the training of skilled machine-tool workers, which was to be a reference point for the vocational training programmes and qualifications for several different occupations in this category. It comprised a lengthy list of the aspects regarded as minimum requirements to qualify for the occupations covered and even gave an overall pass mark to meet the requirements. It also listed the qualifications in each Member State which were recognised as meeting the European profile. As a recommendation, the profile was not legally binding, but there was a strong political commitment to implementing it. This approach, however, was brought into question in 1971 by the Council wanting to know how the profiles were to be updated in the light of changes. The approach was replaced in 1974 by a policy of approximating training standards — a subtle but significant shift away from the harmonisation foreseen in 1963 towards a more flexible approach.

Directives on the mutual recognition of diplomas, certificates and other evidence of formal qualifications

Wholesale trade and activities of intermediaries in commerce, industry and small craft industries*
Directive 64/222/EEC of 25 February 1964, OJ 56, 4.4.1964.

Industry and small craft industries*
Directive 64/427/EEC of 7 July 1964, OJ 117, 23.7.1964.
(Amended by Directive 69/77/EEC of 4 March 1969, OJ L 59, 10. 3. 1969).

Retail trade*
Directive 68/364/EEC of 15 October 1968, OJ L 260, 22.10.1968.

Personal services*
Directive 68/368/EEC of 15 October 1968, OJ L 260, 22.10.1968.

Food manufacturing and beverage industries*
Directive 68/366/EEC of 15 October 1968, OJ L 260, 22.10.1968.

Wholesale coal trade*
Directive 70/523/EEC of 30 November 1970, OJ L 267, 10.12.1970.

Toxic products*
Directive 74/556/EEC of 4 June 1974, OJ L 307, 18.11.1974.

Various activities*
Directive 75/368/EEC of 16 June 1975, OJ L 167, 30.6.1975 (amended by Directive 81 /1057/EEC of 14 December 1981, OJ L 385, 31.12.1981 and 82/76/EEC of 16 January 1982 OJ L 43, 15.2.1982).

Doctors
Directive 75/362/EEC of 16 June 1975, OJ L 167, 30.6.75 (amended by Directive 81/1057/EEC of 14 December 1981, OJ L 385, 31.12.1981 and 82/76/EEC of 16 January 1982, OJ L 43, 15.2.1982).

Itinerant activities*
Directive 75/369/EEC of 16 June 1975, OJ L 167, 30.6.1975.

Insurance agents and brokers*
Directive 77/92/EEC of 13 December 1976, OJ L 26, 31.1.1977.

Lawyers
Directive 77/,249/EEC of 22 March 1977, OJ L 78, 26.3.1977.

Nurses
Directive 77/452/EEC of 27 June, OJ L 176, 15.7.1977 (amended by Directive 81/1057/EEC of 14 December 1981, OJ L 385, 31.12.1981).

Transport
Directive 77/796/EEC of 12 December 1977, OJ L 334, 24.12.1977.

Dentistry
Directive 78/686/EEC of 25 July 1978, OJ L 233, 24.8.1978 (amended by Directive 81/1057/EEC of 14 December 1981, OJ L 385, 31.12.1981).

Veterinary medicine
Directive 78/1026/EEC of 18 December 1978, OJ L 362, 2.12.1978 (amended by Directive 81/1057/EEC of 14 December 1981, OJ L 385, 31.12.1981).

Midwifery
Directive 80/154/EEC of 21 January 1980, OJ L 33, 11.2.1980 (amended by Directive 80/1273/EEC of 22 December 1980 , OJ L 375, 31.12.1980).

Hairdressing
Directive 82/489/EEC of 19 July 1982, OJ L 218, 27.7.1982.

Services incidental to transport
Directive 82/470/EEC of 29 June 1982, OJ L 213, 21.7.1982.

Architecture
Directive 85/384/EEC of 10 June 1985, OJ L 223, 21.8.1985 (amended by Directives 85/614/EEC of 20 December 1985, OJ L 376, 31.12.1985 and 86/17/EEC of 27 January 1986, OJ L 27, 1.2.1986).

Pharmacy
Directive 85/433/EEC of 16 September 1985, OJ L 253, 24.9.1985 (amended by Directive 85/584/EEC of 20 December 1985, OJ L 372, 31.12.1985).

Transport waterways
Directive 87/540/EEC of 9 November 1987, OJ L322, 12.11.1987.

General medical practice
Directive 93/16/EEC of 5 April 1993, OJ L165, 7.7.1993.

General system higher education diplomas
Directive 88/48/EEC of 21 December 1988, OJ L19, 24.1.1989; Directive 92/51/EEC of 18 June 1992, OJ L209, 24.7.1992.

(*) transitional measures

Comparability

Work on the approximation of training standards led to the decision in July 1985,[47] on the comparability of vocational training qualifications. It set out a five-level structure as a point of reference to identify the respective levels of vocational qualifications and certificates of different countries. Use of the structure was not compulsory and comparisons were not legally binding. But although the structure helped to improve understanding of qualification systems, it was complex and unable to reflect labour market requirements owing to the pace of change. What was needed, it was argued, was more accessible information for employers and the social partners to be able to determine the suitability of someone trained in one Member States for a job in another. Consequently, the debate moved towards improving the 'transparency' of vocational qualifications.

Transparency

'Transparency' expresses the need to make qualifications more visible and comprehensible. In December 1992, the Council shifted the focus from centrally-regulated approaches to the need for individuals to provide information on their vocational and training, skills, competences and experience.[48] The Council also suggested that this information might usefully be presented in a common format. An individual portfolio, presenting information on qualifications enabling employers in other Member States to determine suitability for a particular job, was piloted between November 1993 and December 1995. It was decided not to continue with the portfolio approach which was deemed too complicated. However, reciprocal exchanges of information on qualifications between Member States were encouraged. The experience suggested a preference for a bottom-up approach to the convergence of qualifications, leaving those directly concerned, particularly at sectoral level, to take the initiative.

A second resolution on transparency was agreed in 1996[49]. It emphasised the importance of having vocational training qualifications and certificates that make achievements clear to enhance their usefulness for both employers and workers elsewhere in Europe. This principal is being applied in *Europass Training* from 1 January 2000, which uses a common certificate attesting to vocational training undergone in another Member State.

Member States are pursuing various approaches to achieving transparency in vocational qualifications consistent with the 1992 and 1996 resolutions. These range from developing a transparent system within a country and formulating bilateral agreements to implementing new initiatives explicitly oriented towards one of the resolutions. Each approach represents a step in the evolution towards transparency. However, so far implementation of the two resolutions has been patchy and, in general, little progress has been made.

An effort to revive the process has been made by the European Commission and Cedefop with the setting up of a European forum on transparency of vocational training qualifications in 1999. Comprising representatives of Member States and the social partners, the forum has developed an action plan for transparency of vocational qualifications. This plan builds on the recommendations of the two resolutions and integrates the lessons learned from the Leonardo da Vinci programme and various national initiatives. The plan proposes a certificate supplement and a network of national reference centres on vocational qualifications. The forum was established to coordinate action at European level, without conflicting with the right of each Member State to decide their own approach.

The developments in relation to mutual recognition, harmonisation, comparability and transparency represent a shift way from a centralised, legislative approach towards a more user-oriented approach to promoting mobility. This approach, moreover, is one which takes account of national diversity.

But, despite the efforts to promote mobility, obstacles to mobility for people in vocational training continue to exist, as indicated by the European Commission green paper of 1996 (European Commission, 1996 — see Box) and a report by a high level panel on the free movement of persons (European Commission, 1998). In November 1997, the Commission prepared an action plan for free movement of workers to encourage the emergence of a true European labour market and subsequently gave a detailed review of the follow-up to the panel's recommendations.[50] The action plan will be considered by the Council in 2000.

European Commission Green Paper 1996: five obstacles to mobility

The 1996 green paper identified five main obstacles to mobility:

(a) barriers to transnational training for the unemployed;

(b) statutory problems for trainees and young people doing voluntary work;

(c) territorial restriction of student grants;

(d) fiscal arrangements for research grants;

(e) problems of mutual recognition of academic and vocational qualifications.

and proposed nine lines of action:

(a) a legal framework for the situation of 'students/trainees' and volunteers in the European Union (EU) to solve the problems of social security and taxation hampering mobility;

(b) standard treatment for researchers on a grant in all the Member States, either through the recognition of an identical condition or the application of similar measures throughout the Union;

(c) social protection for anyone wanting to travel in the Union as part of training or studying, this facility already being accorded to people moving in the EU for the purposes of employment;

(d) a European area of qualifications through mutual recognition of studies and training courses in another Member State;

(e) abolition of the 'territoriality' of grants, thereby allowing the least privileged to train or study in another Member State;

(f) equal treatment of EU citizens and third country nationals residing legally in the Member States;

(g) reduce socio-economic problems by granting aid to the most needy to enable them to undertake periods of training in other countries;

(h) encouragement to learn languages, even those less widely spoken;

(i) better information on existing possibilities and raising of public awareness of the advantages of mobility in training and studying.

The evolution of the European Social Fund (ESF)

The ESF has undergone many changes since its establishment under Article 123 of the Treaty of Rome in 1957 (see Box). Its initial aim was to improve job conditions in the European Community by promoting employment and increasing the geographical and occupational mobility of workers. The main purpose was to assist workers moving from one region to another in search of work and those in sectors undergoing modernisation or conversion who needed to acquire new skills. The Fund was financed up to 1969 by direct contributions from Member States, with some contributing more than others.

Reforms in the 1970s — adding the Community dimension

By the mid 1960s, it was becoming evident that, in some regions, employment growth was being hampered by structural factors. At the same time, the failure to effect redistribution of resources was seen as a major weakness of the Fund. Against this background, in 1969, the Commission presented its opinion on the first reform of the ESF. The aim was to extend and strengthen the Fund as an instrument for pursuing Community rather than purely national objectives. The new Fund, agreed in 1971 and coming into effect on 1 May 1972, had substantially greater resources. New rules were introduced requiring applications to be submitted prior to the beginning of operations. Provision was also made, for the first time, for two pilot actions to promote innovation in vocational training.

Although the next major review of the ESF was not foreseen until the early 1980s, rising unemployment, especially in the least-developed regions, led to other amendments in the intervening years, including, in 1979, the introduction of a new type of aid for job creation. In addition, reflecting the increasing attention

The European Social Fund — 1957–2006

1957

Article 123 of the Treaty of Rome establishing the European Social Fund.

1969

Commission opinion on the first reform of the ESF.

1971

Council Regulation (EEC) No 2396/71 of 8 November 1971 implementing the Council Decision of 1 February 1971 on the reform of the European Social Fund, OJ L 249 10.11.1971.

1983

Council Regulation (EEC) No 2950/83 of 17 October 1983 on the implementation of Decision 83/516/EEC on the tasks of the European Social Fund, OJ L 289, 22.10.1983.

1988

Commission Decision (EEC) on the guidelines for the management of the European Social Fund 1989-91, OJ L 143, 10.06.1988.

Council Regulation (EEC) No 4255/88 of 19 December 1988 laying down provisions for implementing regulation (EEC) No 2052/88 as regards the European Social Fund, OJ L 374, 31.12.1988.

1993

Council Regulation (EEC) No 2084/93 amending Regulation (EEC) No 4255/88 laying down provisions for implementing regulation No 2052/88 as regards the European Social Fund, OJ L 193, 31.07.1993.

1999

Council Regulation (EC) No 1262/1999 of the European Parliament and of the Council of 21 June 1999 on the European Social Fund, OJ L 161, 26.6.1999.

Council Regulation (EC) No 1784/1999 of the European Parliament and of the Council of 12 July 1999 on the European Social Fund, OJ L 213, 13.8.1999.

paid to regional disparities, the Council applied a higher grant rate of 55% to 'absolute priority regions' (a precursor to Objective 1 regions). This gave increased impetus to the ESF becoming a means of supporting regional development, a role favoured by the Commission at the time.

The early 1980s — combating youth unemployment

The rise in unemployment among young people also had a major influence on the 1982 review of the Fund. The structure of the Fund had proved too rigid and complicated to cope with changing needs — by 1982, unemployment among young people under 25 in the EU was approaching 20%, and it was continuing to grow.

By 1984, the Commission's objective was to provide particular support for young people who were to make up at least 75% of the total beneficiaries of the Fund. However, this new system proved difficult and complicated to manage both for the Commission and the Member States, and it was further compounded by the growth in the demand on the Fund. This increasingly prompted the view that local planning and a bottom-up approach would result in more effective use of the Fund. Moreover, the single project system was considered to have outlived its usefulness and to be ill-adapted to the enhanced scale of the ESF operations, especially with the enlargement of the European Community to 12 Member States in January 1986.

1988 — a radical new approach

The adoption of the Single European Act in 1986 set the scene for fundamental reform of the Structural Funds. Resources doubled in the period up to 1992 and were used to promote economic and social cohesion in the Community. Two major areas for ESF assistance were identified: the integration of young

people into working life (Objective 3) and combating long-term unemployment with the aim of preventing social exclusion (Objective 4).

It was also clear that the administrative structures of the new Objective 1 regions needed to be strengthened if they were to be in a position to use aid from the Structural Funds effectively. This led to an extension of the ESF eligibility rules in these regions to cover the training of public servants to improve their capabilities in this respect.

1993 review

A further major review of the Structural Funds took place in 1993, against a background of rising unemployment. A budget of almost ECU 142 billion was allocated for the period 1994-99, practically double the amount of the preceding period. This massive increase in aid, especially for the least developed Objective 1 regions, particularly in Greece, Spain, Ireland, Italy, and Portugal, anticipated the additional impetus given to economic and social cohesion in the Maastricht Treaty (then under negotiation), particularly in the context of a move towards economic and monetary union and the establishment of a single currency.

As a result of the review, the priorities of the ESF from 1994 to 1999 focused on the need to improve access to and the quality of education and initial training, particularly for young people with no or few qualifications to help them make the transition from school to the world of work. Whereas before, measures to help the young and to combat long-term unemployment were distinct and separate objectives, these were now combined into one (Objective 3). Also included were those at risk of becoming long-term unemployed and being excluded from the labour market, for example, people with disabilities. What the review recognised was the growing importance of vocational training and guidance to help workers adapt to changes in production as well as the need to develop and improve training structures in response to this. The revised Objective 4 was targeted at those at risk of becoming unemployed because of structural changes in the economy, especially those working in SMEs.

The total allocation of the ESF budget for this period was ECU 47 billion. Financial support was provided for two human resource Community initiatives, Employment and Adapt, both characterised by their transnational, innovative and 'bottom-up' approach to the development of human resources. Employment was aimed at helping people with specific difficulties in finding or keeping a suitable job or career and comprised four different strands: Youthstart (to support young unemployed and disaffected people), Now (to promote equal opportunities for women), Horizon (to support people with disabilities) and Integra (to assist disadvantaged groups, such as immigrants and refugees). Adapt was aimed at helping workers adapt to industrial change and, thereby, at promoting growth, employment and the competitiveness of companies in the EU.

Despite the absence of any systematic attempt to link the priorities of the ESF and EU vocational education and training policy, there has been significant overlap at the project level between those funded under Employment and Adapt and those under the Leonardo da Vinci programme and, specifically, between project promoters, target groups and the intervention provided.

Essentially, the same forces of economic and social change and high levels of unemployment (especially among specific groups) that shaped the common and Community vocational training policies also shaped the development of the ESF. The ESF, therefore, increasingly used vocational training as a major means of achieving its aims and of, thereby, bringing about an improvement in the economic potential of poorer regions along with other measures financed from the Structural Funds, aimed, for example, at strengthening infrastructure and improving the environment.

However, because action supported by the ESF was carried out under Article 123 of the Treaty of Rome, it does not form part of a common vocational training policy. Moreover, although the ESF objectives fit well with Article 150 of the Amsterdam Treaty, there is no direct link between it and Article 146 which covers the ESF.

European Social Fund, 2000-06

In June 1999, a Council regulation laying down general provisions on the Structural Funds determined how they are to be spent in the seven year period from 2000 to 2006. To achieve a more efficient use of limited resources, it was proposed to reduce the previous

Structural Funds Objectives, 2000–2006

The three priority objectives established for the period 2000 to 2006 are:

(a) promoting the development and structural adjustment of regions whose development is lagging behind (Objective 1);

(b) supporting the economic and social conversion of areas facing structural difficulties (Objective 2);

(c) supporting the adaptation and modernisation of education, training and employment policies and systems (Objective 3).

six Objectives to just three (see Box), two of which will be regionally-oriented (Objectives 1 and 2), while the other (Objective 3) will be horizontal and focused on human resources.

The new Objective 3 brings together the previous Objectives 3 and 4 and takes as its starting point the new title on employment introduced in the Amsterdam Treaty. It is intended as a reference framework for the development of human resources throughout the EU, which takes account of the wide variety of policies, practices and needs in the different Member States.

The scope of the ESF to finance Objective 3 measures was redefined and the revised regulation was explicitly related to the European employment strategy, which, as noted above, requires each Member State to submit a national action plan for employment to the Council and Commission each year.

The new regulation is, therefore, much more closely aligned with the four core themes of the employment guidelines (employability, entrepreneurship, adaptability and equal opportunities), effectively making the revised ESF a means of providing financial support for the European employment strategy. Although the emphasis is on the linkage of the ESF and the employment strategy, the regulation does provide for specific support for vocational training, particularly in respect of research and technological development. Aid will also be provided to improve the quality of vocational training and the efficiency of employment services, to develop closer links between the world of work and education and training establishments and to foster systems for forward planning and anticipation of changing employment and skills' needs, particularly in relation to new forms of work organisation.

In financial terms, the ESF allocation (see Box) is likely to account for about 35% of the Structural Funds budget in the new period — approximately EUR 70 billion.

Once again, the allocation of the Structural Funds for this period was largely determined by the political priority of economic and social cohesion and the need to concentrate money on the poorest areas of the EU (see Box). Vocational training has, however, continued to play a central role in shaping ESF priorities and in serving as the principal means of pursuing the policy aims set.

Countries of central and eastern Europe

The process of enlargement of the EU which is now underway to incorporate countries from central and eastern Europe, and which effectively began at the Copenhagen Council in 1993, entails a number of vocational training issues.

Under the Copenhagen criteria, accession to the EU, which is now being negotiated with the 10 central and eastern European countries (CEECs) which have signed association agreements with the EU (Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia, Slovenia and the three Baltic States, Estonia, Latvia and Lithuania), requires that countries have achieved:

- stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities;
- a functioning market economy as well as the capacity to cope with competitive pressures and market forces within the Union;
- an ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.

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Allocation of ESF for Objective 3 assistance, 2000–2006

The allocation of the ESF between Member States for the period 2000 to 2006 for Objective 3 expenditure has been fixed according to eligible population, the employment situation and the severity of problems which countries face. The division is set out in the following table, which also contains details of the allocation of the EQUAL programme to support measures to equalise opportunities between men and women. No sums are included for Objective 3 for Greece, Ireland and Portugal where expenditure will be financed from Objective 1 assistance (EURO 20,961 million for Greece, EURO 3,088 million for Ireland and EURO 19,029 million for Portugal, if phasing-out support is included).

(EURO million at 1999 prices)

Member State	Objective 3	Equal
Belgium	737	70
Denmark	365	28
Germany	4581	484
Greece	0	98
Spain	2140	485
France	4540	301
Ireland	0	32
Italy	3744	371
Luxembourg	38	4
Netherlands	1686	196
Austria	528	96
Portugal	0	107
Finland	403	68
Sweden	720	81
UK	4568	376
EUR15	24050	2847

Allocation of the Structural Funds, 1994–2006

Average annual allocation of the Structural Funds, excluding Community Initiatives and Innovative Actions, 1994-1999 and 2000-2006

Member State	Average annual support (1999 EURO mn)	% total	Average annual support (1999 EURO mn)	% total
	1994–1999		2000–2006	
Belgium	293	1.2	261	1.0
Denmark	86	0.4	106	0.4
Germany	3338	13.8	4022	15.3
Greece	2539	10.5	2994	11.4
Spain	5671	23.5	6155	23.5
France	2070	8.6	2089	8.0
Ireland	1021	4.2	441	1.7
Italy	3440	14.3	4069	15.5
Luxembourg	8	0.0	11	0.0
Netherlands	369	1.5	376	1.4
Austria	228	0.9	210	0.8
Portugal	2539	10.5	2718	10.4
Finland	250	1.0	262	1.0
Sweden	229	0.9	273	1.0
UK	2022	8.4	2234	8.5
EUR15	24103	100.0	26223	100.0

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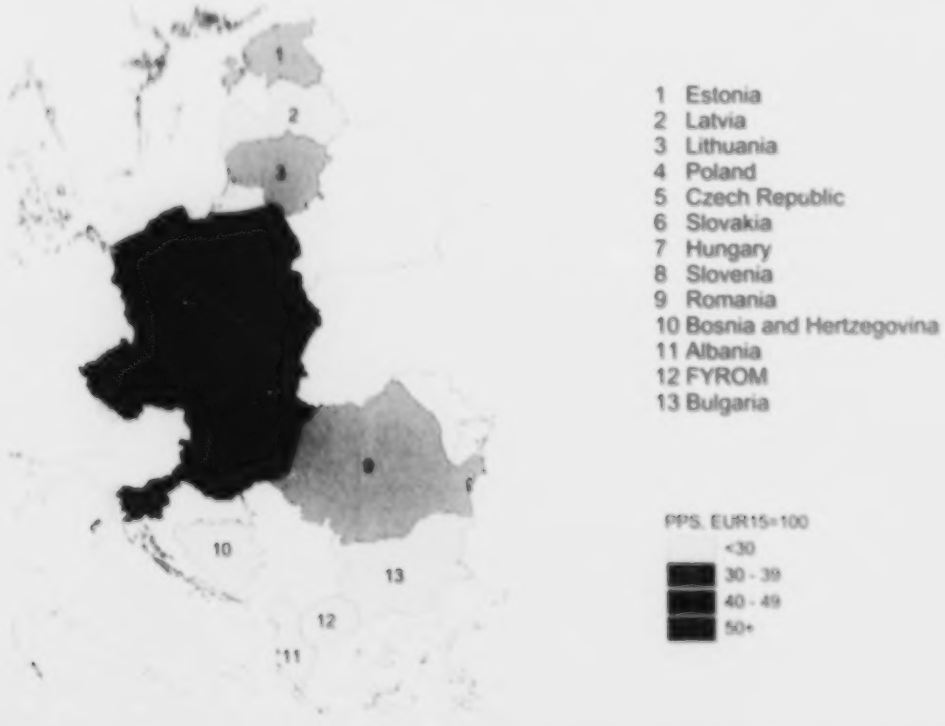
The latter encompasses adoption and implementation of the entire *acquis communautaire* upon accession, which, in practice, requires the setting up of new administrative and legislative structures, the modernisation of existing ones and the proper training of the people concerned.

To assist the countries to achieve this, a series of measures have been introduced, including the (earlier) creation of the Phare programme to provide financial and technical support[51] and the opening of EU programmes to them, including Leonardo da Vinci among others. Under Phare, over ECU 870 million was spent on education, training and research between 1990 and 1996, support being provided, for example, for the development of vocational training courses in respect of new economic sectors and occupations, new teaching equipment and feasibility studies for the formulation of new policies (Baumgartl, Farla and Weilböck-Buck, 1997). Phare assistance is available not only to the 10 candidate countries noted above but also to Albania, the former Yugoslav Republic of Macedonia (FYROM) and Bosnia-Herzegovina.

Further assistance was provided by the establishment of the European Training Foundation (ETF) in 1995,[52] to cover not only the CEECs but also the new independent States (i.e. those from the former Soviet Union) and Mongolia. The ETF is important in promoting mutual understanding and supporting the exchange of information and experience between the countries it covers, as well as between these and the EU. The CEECs concerned have also been able to access information and to develop contacts with EU Member States through their participation, to varying degrees, in the Leonardo da Vinci programme and through the study visit programme managed by Cedefop.

Nevertheless, all of the countries face difficult challenges in establishing demand-led vocational training systems which comply with their obligations under accession agreements and which, more importantly, are able to cope with a constantly changing market environment and to assist their economic development (at present all of the CEECs have levels of GDP per head well below the EU average — see Map). This involves fundamental reform of their present systems. It also involves, to comply with the *acquis communautaire*,

GDP per head in Central and Eastern Europe, 1997



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adjusting their legislative frameworks to EU directives on mutual recognition of qualifications for the regulated profession; achieving greater transparency of qualifications to facilitate the free movement of workers; strengthening vocational training institutions and bringing about an effective balance of responsibilities between national, regional and local government, the social partners and all the other interests involved and equipping these to carry out their respective roles effectively.

For the countries of the former Soviet Union (excluding the Baltic States) and Mongolia, the Tacis[51] programme aims to stimulate economic links and more harmonious policy development with the EU. Tacis provides assistance in the definition of training needs and priorities through the implementation of measures of technical assistance in the training field and through cooperation with the appropriate designated bodies in the eligible countries.

Concluding remarks

Given the developments which have occurred, the vocational training policy European level can be described as action oriented. The Community has acted as a strong reference point for the development of vocational training policy in Member States and has supported cooperation through practical action, such as pilot projects and exchanges of information and people.

Over the years, the policy framework as established by the ten principles of the 1963 decision was adapted and redefined through various non legally-binding, but strongly supported, political statements, such as Council resolutions, Commission communications and white papers. The social partners also contributed increasingly to the development of the policy framework, through their joint opinions, in particular. Driven by forces of economic and social change, the policy framework supported the development of vocational training as a powerful tool of employment and active labour market policy. Important roles for vocational training were defined in improving employment prospects through facilitating adaptation to change, supporting the integration of young people, and other groups, into the labour market and promoting equal opportunities. These developments were mirrored, to a certain degree, in the development of the European Social Fund, which became an important tool for economic and social cohesion, focusing on those facing difficulties in the labour market and on helping them adapt to change.

The change in the treaty, and the move from a common vocational training policy to a Community policy to support and supplement activities in Member States, was an important event. The need to have a legal base for funding Community action, as well as judgements by the European Court of Justice which, in the view of Member States, extended Community competence in this area, affected and changed the nature of cooperation between the Member States and the European Community. The Member States, concerned over the prospect of Community-wide legally-binding regulation of their vocational training systems, took the opportunity to revise the Treaty. But the changes they made preserved the nature of the policy that had been pursued up until 1992 and maintained the delicate balance between their national interests and those of the Community, by ruling out harmonisation of vocational training systems and reaffirming that responsibility for their content and organisation lay with the Member States. The Maastricht Treaty, therefore, effectively continued the original policy, as witnessed by the five aims of vocational training set out in the Treaty, which, as before, identified it as an important tool of employment and active labour market policy.

The importance of maintaining diversity and flexibility that the change in the Treaty reflected is also seen in the development of the role of vocational training in respect of the free movement of workers. Problems in implementing the original 'top-down' type of approach, involving, for example, the harmonisation of vocational training levels, illustrated by the arduous negotiation of directives on the free movement of labour, led to the introduction of more flexible approaches to conveying the qualifications and skills of individuals, such as through defining equivalence and, more recently, through transparency.

The debate on the development of vocational training since the Maastricht Treaty has been marked by the growing interest in lifelong learning. This debate has posed challenges for the structure of vocational training systems which, it is argued, also need to adapt to the forces of change that are affecting the learning process. Both the policy framework and its implementation have sought to adapt to this development.

The various action programmes dealing with different aspects of vocational training policy were rationalised into one — the Leonardo da Vinci programme. This rationalisation — along with a simplification of its predecessor's complex structure — has been continued in Leonardo da Vinci II. However, despite being placed firmly in a policy context, notably the European employment strategy, the new programme makes no reference to any wider policy framework.

This raises the question as to whether the fundamental role of the Community as a reference point (albeit a non-legally binding one) for the development of national vocational training policies, is being sufficiently recognised and acted upon at such a critical juncture, as vocational training policy seeks to accommodate lifelong learning. This contrasts with employment where the Community has set in place a clear set of policy guidelines, in which vocational training plays a major role in the package of measures aimed at stimulating employment growth.

It might be argued that the framework set for the employment strategy is sufficient as a reference point for the development of vocational training. However, it is important to distinguish between the employment framework to which training contributes and a policy framework for the development of vocational training systems themselves. Such a framework is important for ensuring that systems accommodate the new learning processes and flexible structures that lifelong learning demands.

Each Member State, moreover, has a common interest in the success of vocational training systems in other parts of the EU because they are an important determinant of the prosperity of the Union economy as a whole. The role that the Community can play as a reference point in the key area of the development of the systems themselves should not be overlooked.

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1 *Council Decision of 2 April 1963, laying down the principles for implementing a common vocational training policy (63/266/EEC), OJ 63, 20.4.63.*

2 *Rules of the Advisory Committee on Vocational Training 63/688/EEC, OJ 190 30.12.1963.*

3 *Recommandation de la Commission du 18 juillet 1966 aux Etats membres tendant a developper l'orientation professionnelle (66/484/CEE), JO 2815/66. (Note: there is no English version of this text.)*

4 *Council Recommendation of 29 September 1970 to the Member States on the use of the European vocational profile for the training of skilled machine-tool operators (70/449/CEE), OJ L 219, 05.10.1970.*

5 *General guidelines for drawing up a Community action programme on vocational training, OJ C 81, 12.8.1971.*

6 *Council Resolution of 21 January 1974 concerning a social action programme, OJ C 13, 12.2.1974.*

7 *Council Regulation of 10 February 1975 establishing a European Centre for the Development of Vocational Training (EEC) No. 337/75, OJ L 39, 13.2.1975.*

8 *Council Resolution of 27 June 1974 establishing the initial Community action programme for the vocational rehabilitation of handicapped persons, OJ C 80, 9.7.1974.*

9 *Resolution of the Council and of the Ministers for Education meeting within the Council of 13 December 1976 concerning measures to be taken to improve the preparation of young people for work and to facilitate their transition from education to working life, OJ C 308, 30.12.1976 (amended by Resolutions of 15 January 1980, OJ C 23, 30.1.1980, and of the 12 July 1982, OJ C 193, 28.7.1982).*

10 *Council Resolution of 18 December 1979 on linked work and training for work experience, OJ C 1, 3.1.1980 (see also the European Commission Recommendation of 6 July 1977 on vocational preparation, OJ L 180, 20.7.1977).*

11 *Council Directive 76/207/EEC of 9 February 1976 on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions, OJ L 39, 14.2.1976.*

12 *Resolution of the Ministers of Education meeting within the Council of 6 June 1974 on cooperation in the field of education, OJ C 98, 20.8.1974.*

13 *Resolution of the Council and of the Ministers for Education meeting within the Council of 1976 comprising an action programme in the field of education, OJ 38, 19.2.1976.*

14 *Conclusions of the Council and of the Ministers for Education meeting within the Council of 14 May 1987 concerning a programme of European collaboration on the integration of handicapped children into ordinary schools and in-service training for teachers, OJ C 211, 8.8.1987.*

15 *Decision of the European Parliament and of the Council of 14 March 1995 establishing the Community programme 'Socrates' (819/95/EC), OJ L 87, 20.4.1995.*

16 *Council Directive of 25 July 1977 on the education of children of migrant workers (77/486/EEC), OJ L 199, 6.8.1977.*

17 *Resolution of the Council and of the ministers for Education meeting within the Council of 3 June 1985 containing an action programme on equal opportunities for girls and boys in education, OJ C 166, 5.7.1985.*

18 *Resolution of the Council and the Ministers for Education meeting within the Council, of 19 September 1983 on measures relating to the introduction of new information technology in education, OJ C 256, 24/09/1983.*

19 *Council Resolution of 11 July 1983 concerning vocational training policy in the 1980s, OJ C 193, 20.7.1983.*

20 *Bulletin of the European Communities, 3-1982.*

21 *Council Decision of 24 July 1986 establishing a programme on cooperation between universities and enterprises regarding training in the field of technology (Comett) (86/365/EEC), OJ L 222, 8.8.1986.*

22 *Council Decision of 16 December 1988 adopting the second phase of the programme on cooperation between universities and industry regarding training in the field of technology (Comett II) (1990 to 1994) (89/27/EEC), OJ L 13, 17.1.1989.*

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23 *Council Decision of 18 December 1989 establishing an action programme to promote innovation in the field of vocational training resulting from technological change in the European Community (Eurotecnet) (89/657/EEC), OJ L 393, 30.12.1989.*

24 *Council decision of 18 April 1988 establishing a second Community action programme for disabled people (88/231/EEC), OJ L 104, 23.4.1988.*

25 *Council decision of 25 February 1993 establishing a third Community action programme to assist disabled people (Helios II, 1993–96) (93/136/EEC), OJ L 56, 9.3.1993.*

26 *Council Decision of 1 December 1987 establishing an action programme for the vocational training of young people and their preparation for adult and working life (Petra) (87/569/EEC), OJ L 346, 16.12.1987.*

27 *Resolution on the report from the ad hoc committee for a people's Europe to the European Council meeting on 29 June 1985 in Milan, OJ C 175, 15.7.1985.*

28 *Council Decision of 22 July 1991 amending Decision 87/569/EEC concerning an action programme for the vocational training of young people and their preparation for working life (Petra) (91/387/EEC), OJ L 214, 2.8.1991.*

29 *Council Decision of 29 May 1990 establishing an action programme for the development of continuing vocational training in the European Community (Force) (90/267/EEC), OJ L 156, 21.6.1990.*

30 *Council Decision of 15 June 1987 adopting the European Community action scheme for the mobility of university students (Erasmus) (87/327/EEC), OJ L 166, 25.6.1987.*

31 *Council Decision of 14 December 1989 amending Decision 87/327/EEC adopting the European Community action scheme for the mobility of university students (Erasmus) (89/663/EEC), OJ L 395, 30.12.1989.*

32 *Council Decision of 28 July 1989 establishing an action programme to promote foreign language competence in the European Community (Lingua) (89/489/EEC), OJ L 239, 16.8.1989.*

33 *Case 242/87, Commission of the European Communities v The Council of the European Communities (1989), ECR 687.*

34 *Community Charter of the Fundamental Social Rights of Workers, COM(89)248 final.*

35 *OJ C 224, 31.8.1992.*

36 *Council Recommendation of 30 June 1993 on access to continuing vocational training (93/404/EEC), OJ L 181, 23.7.1993.*

37 *OJ C 224, 31.8.1992, p.126.*

38 *The social protocol was signed by the UK in 1997 and subsequently incorporated into the body of the Treaty on European Union negotiated at Amsterdam.*

39 *Resolution of the Council of 11 June 1993 on vocational education and training in the 1990s, OJ C 186, 8.7.1993, p.3.*

40 *Decision of the European Parliament and of the Council of 23 October 1995 establishing 1996 as the 'European year of lifelong learning' (2493/95/EC), OJ L 256, 26.10.1995.*

41 *Council Decision of 6 December 1994 establishing an action programme for the implementation of a European Community vocational training policy (94/819/EC), OJ L 340, 29.12.1994.*

42 *Council Decision of 26 April 1999 establishing the second phase of the Community vocational training action programme Leonardo da Vinci (99/382/EC), OJ L 146, 11.6.1999.*

43 *Council Decision of May 1964 establishing the first joint programme to encourage the exchange of young workers within the Community (64/307/EEC), OJ No 78, 22.05.1964.*

44 *Council Decision of 16 July 1979 establishing a second joint programme to encourage the exchange of young workers within the Community (79/642/EEC), OJ L 185, 21.7.1979.*

45 *Council Decision of 13 December 1984 establishing a third joint programme to encourage the exchange of young workers within the Community (84/636/EEC), OJ L 331, 19.12.1984.*

46 *Council Decision of 21 December 1998, on the promotion of European pathways for work-linked training, including apprenticeship (1999/51/EC), OJ L 17, 22.01.1999.*

47 *Council Decision of 16 July 1985 on the comparability of vocational training qualifications in the Member States of the European Community (85/368/EEC), OJ L 199, 31.7.1985.*

48 *Council Resolution of 3 December 1992 on transparency of qualifications, OJ C 49, 19.2.1993.*

49 *Council Resolution of 15 July 1996 on the transparency of vocational training certificates, OJ C 224, 1.8.1996.*

50 *Communication from the Commission to the Council and the European Parliament on the follow-up to the recommendations of the high-level panel of the free movement of persons, COM (98) 403 final.*

51 *Council Regulation (EEC) No 3906/89 of 18 December 1989, establishing the Phare programme, OJ L 375, 23.12.1989.*

52 *Council Regulation (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation, OJ L 131, 23.5.1990 (amended by Council Regulation (EC) No 2063/94 of 27 July 1994, OJ L 216, 21.8.1994).*

53 *Council Regulation (Euratom, EEC) No 2053/93 of 19 July 1993 concerning the provision of technical assistance to economic reform and recovery in the independent States of the former Soviet Union and Mongolia (Tacis), OJ L 187, 29.7.1993.*

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Chapter 2: From policy to practice: the challenge of change

Introduction

Developments in vocational training policy at European level, summarised in Chapter 1, are a response to the economic and social changes over the past 40 years. They have altered profoundly the context in which policy has to operate in the European Union (EU) and the problems it needs to address. In particular, they have made the need for a well-educated and well-trained workforce a high priority for economic development and social cohesion.

This chapter reviews briefly the economic and social changes, as well as the broad demographic trends, which are conditioning the development and implementation of vocational training policy in the Member States. It goes on to look at the corresponding shifts in the structure of employment. It also highlights the close link in most Member States between the education attainment level of people and their employment prospects which has been one of the main reasons for the development of vocational training as a key instrument in employment policy. Finally, the chapter looks at the links between educational attainment and the level of earnings which has an important influence on the decisions of individuals as to the type of education or vocational education they undertake and so has implications for policy development.

Economic, social and demographic change

Economic integration in Europe, stimulated by the completion of the single market and monetary union, has occurred as globalisation has accelerated, underpinned by a quickening in the rate of technological advance. These trends have intensified competitive pressure in European economies. In this climate, the priority is to find areas of specialisation where European producers avoid competing on labour costs with the developing world with its supplies of cheap labour.

Consequently, both businesses and individuals have to be able to adapt to new ways of working, implement new methods of production and develop new products. Advances in technology have reduced the importance for competitiveness of access to raw materials. From this perspective, for European economies to compete on world markets and sustain acceptable rates of growth and a high level of employment, they require a highly educated and trained workforce capable of learning new skills and taking advantage of the opportunities which new technology and changes in consumer demands open up. The development of modern economies, therefore, has become increasingly knowledge- rather than resource-driven.

These economic developments have been associated with significant changes in the structure of employment and, accordingly, in the content of jobs. The structure of employment is moving rapidly away from traditional sectors, such as agriculture and industry to new, fast-growing service activities, many of which require state-of-the-art technology and entail different forms of work organisation. In particular, there has been a move away from specific, narrowly-defined, routine tasks to activities which are less standardised, more diverse and more intellectually-demanding and which often necessitate more interpersonal skills. This requires those seeking jobs in growing sectors not only to have the necessary expertise to perform efficiently, but also to possess a solid basic education to enable them to adapt to changing demands throughout their working lives.

Between 1980 and 1998, the share of total employment in agriculture in the EU almost halved from around 10% to under 5%, while the share in industry declined from 38% to under 30%. At present, services account for around two-thirds of all jobs and have been responsible for all employment growth over the past two decades. Between 1994 and 1998, total employment increased in all Member States, except Germany, in aggregate by over 4 million, or 3%. Over this four-year period, jobs in agriculture and industry declined by almost 1½ million — some 60% of the job losses occurring in agriculture — while those in services increased by over 5½ million. Of these, 3½ million went to women, with the result that in 1998, 4 out of 5 women in work were employed in services as

against just over half of men (see Annex for data sources).

These changes have not always led to an increase in jobs with a high skill level. Employment in hotels and restaurants went up by 2% a year in the EU between 1994 and 1998. However, these account for only 4% of the total jobs on offer. More advanced service activities, typically requiring high levels of educational attainment from those employed, have shown the highest job growth in recent years. Most of the increase in employment in the four years 1994 to 1998 was concentrated in two major areas: business services and communal services — health and social services, education, cultural and recreational activities.

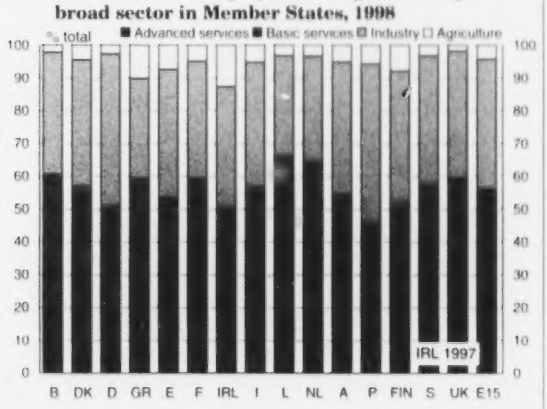
The long-term changes in the distribution of jobs between sectors means that the majority of people in work in the EU are now employed in service activities — some two-thirds in 1998. However, there remain significant differences in the sectors in which men work and those in which women are employed. There are also large variations in the relative importance of different sectors between Member States, though these are gradually becoming less marked since the same trends are evident in all parts of the EU. These same trends mean that job openings for young people are not necessarily in the same sectors as those in which older members of the workforce are employed.

In 1998, it was still the case that in the EU as a whole, some 39% of men in employment worked in industry and around 5½% worked in agriculture. Just over half, therefore, were employed in services (55%). For men in the 25 to 49 age group, which gives a fairer indication of the pattern of job possibilities — and perhaps of vocational training needs — the figures are similar, except that agriculture employs fewer (just under 4½%) and industry more (just over 40%) (Graph 1; for the source of this and other graphs, see Annex 1 at the end of the report).

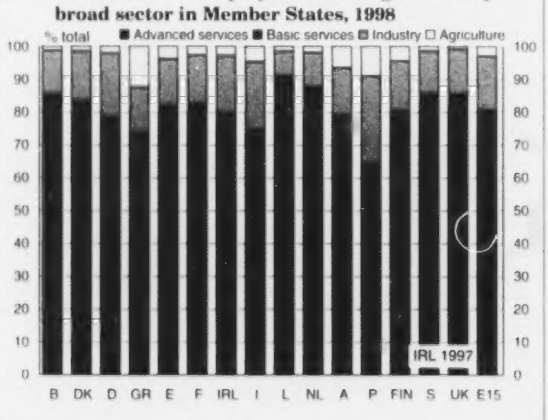
For women, the pattern is markedly different. For those aged 25 to 49, only just over 16% worked in industry in 1998 and just 3% in agriculture, so that over 80% worked in services (Graph 2). Moreover, some two-thirds of these worked in advanced services sectors, in public administration, health care, education, business and financial services — 53½% of all women in these age groups in employment — and only a third worked in basic services, in distribution, transport, hotels and restaurants and personal services (around 27% of all women employed). By contrast, only around half of men employed in services worked in the advanced service sectors — under 30% of all men in employment. Consequently, many more men than women work in industry, while many more women than men work in advanced services. The key point is that women's employment is concentrated in the fastest growing sectors, while the great majority of men work either in sectors where jobs are declining or where they are increasing very slowly.

Underlying these economic trends is the general social acceptance across the EU of the importance of equality of opportunity. This includes ensuring equal access to further education and vocational training to all young people irrespective of their background, ethnic origin or gender, as an essential part of bringing about social mobility.

1 Distribution of employed men aged 25-49 by broad sector in Member States, 1998



2 Distribution of employed women aged 25-49 by broad sector in Member States, 1998



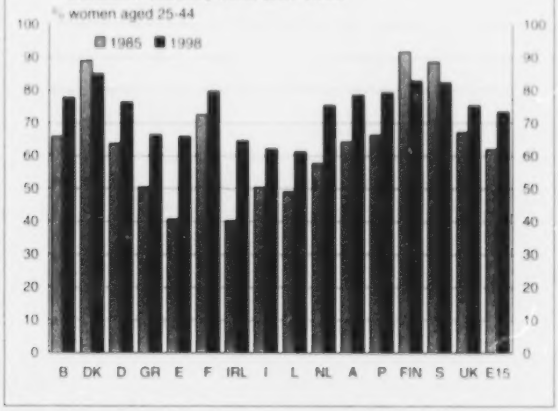
These economic and social trends have increased the demand for places in education beyond compulsory schooling and in initial vocational training, despite demographic trends leading to a fall in most Member States in the number of young people in their late teens and early 20s. These trends have also increased the need for programmes to help women — and occasionally men — to re-enter the workforce after taking time off because of caring responsibilities and to learn new techniques and methods of working.

The increasing participation of women in the workforce is one of the main features of social change in the EU over the past 30 or 40 years. Indeed, in virtually all Member States, women have accounted for the whole of the increase in employment over this period, while the number of men in work has generally declined.

In the EU as a whole, the number of women aged 25 to 44 in the workforce (those in the age group where fertility rates are highest who are either employed or actively looking for work) went up from just under 62% of those in this age group to just over 73% in just 13 years between 1985 and 1998 (Graph 3). Apart from Denmark, Finland and Sweden, in each of which the rate was already close to 90% in 1985, the rise was common to all Member States. It was especially high in Spain and Ireland, where the rate was very low in 1985 and where it increased in both cases from 40% to around 65%. Similarly, in Greece, participation went up from 50% to 66% and in the Netherlands, from 57½% to 75%.

The increase in the number of women working has been accompanied by more women staying longer in education and initial vocational training — indeed, there is now a higher proportion of women remaining in education after compulsory schooling than men in most parts of the EU.

3 **Participation rates of women aged 25-44 in Member States, 1985 and 1998**



These trends have coincided, over the past 25 years or so, with a period of slow economic growth, low or negative rates of net job creation and high levels of unemployment, especially among those under 25. In consequence, in many parts of the EU, even those graduating from the education system with good qualifications have often had difficulty finding work. The decline in the number of young people in their teens and early 20s has, therefore, been accompanied over the past 10 to 15 years by an escalation of special measures aimed at increasing the employability of the falling numbers in this age group.

Demographic trends threaten to reduce further the number of young people entering the labour force in the next 15 to 20 years, especially in southern Member States, although also in a few northern countries, including Ireland, where the number has grown over the past decade. In about 10 years time, if not sooner, the total number of people of working age will also fall in most EU countries, which could reduce the size of the labour force. Even if the size of workforce does not fall, it is set to become older on average and the number of people reaching the present retirement age is projected to increase significantly. This has a number of implications. First, to avoid a reduction of the number in employment at a time when the number of people above retirement age and in need of income support is increasing, the proportion of those of working age actually in work needs to increase. Secondly, it means that there is a greater need to maintain and update the skills of the existing workforce and to ensure that those remaining longer in employment can work efficiently.

The changing pattern of educational and vocational training needs

The changing pattern of economic activity and in the content of jobs creates problems in determining the specific kinds of occupation young people should be trained for and, therefore, the vocational training that should be provided.

A major aspect of the structural changes in EU economies over the long term is a shift from manual jobs, both skilled and unskilled, to non-manual ones. While relatively low skilled non-manual jobs have increased to

Levels of educational attainment — International standard classification of education (ISCED)

The International standard classification of education (ISCED) has been developed in order to be able to compare levels of education and vocational training, provided by often very disparate systems, across countries. The 1997 system of classification (see *International standard classification of education*, UNESCO, 1997) divides education and vocational training into seven broad levels and, typically (such as in the Union Labour Force Survey), people are classified according to the highest level successfully completed, which normally means obtaining a certificate or diploma where one is awarded or, in cases where there is no certification, having a satisfactory attendance record. The levels are as follows:

ISCED 0 pre-primary education.

ISCED 1 primary education or first stage of basic education.

ISCED 2 lower secondary education or second stage of basic education, usually up to the end of compulsory schooling, typically reached at the age of 15 or 16.

ISCED 3 upper secondary education, typically beginning after compulsory schooling has been completed and usually requiring the completion of around 9 years of full-time education. This is further divided into ISCED 3A, programmes designed to provide direct access to ISCED 5A, ISCED 3B, programmes designed to provide access to ISCED 5B, and ISCED 3C, other programmes.

ISCED 4 post-secondary non third-level (or tertiary) education, which includes programmes which might be considered as part of upper secondary education in a national context, but which in terms of their content are below tertiary level and which tend to broaden the knowledge of participants. They include, for example, pre-degree foundation courses or short vocational programmes.

ISCED 5 first stage of tertiary education, consisting of programmes, often provided by universities or equivalent institutions, which are more advanced than ISCED 3 or 4 and which normally require the successful completion of ISCED 3 (A or B) or ISCED 4. Such programmes must have a duration of at least two years. They are further divided into ISCED 5A, programmes which are largely theoretical and are intended to prepare for entry into advanced research programmes or professions with high skill requirements, and ISCED 5B, programmes which are practically oriented and designed to teach the skills and know-how needed for employment in a particular occupation or vocation.

ISCED 6 second stage of tertiary education, consisting of programmes, typically provided by universities or equivalent institutions, leading to the award of an advanced research qualification, such as a post-graduate degree and normally requiring the completion of a piece of original research.

In practice, reflecting the difficulty of distinguishing between all of these levels in a consistent way when systems of education and training vary significantly between countries, the Union Labour Force Survey, which is the main source of data on education attainment levels in Member States, did not succeed in 1998 to collect usable data based on ISCED 1997. The analysis here, therefore, is based on the 1997 LFS, which used the previous ISCED for classifying education attainment levels. Even then, because of problems of classification problems, it is possible to divide respondents into just three groups on a roughly comparable basis:

- those that have successfully completed a programme of third level education (ie corresponding to ISCED 5 and/or 6 on the new classification), a level referred to in the graphs as 'high'
- those that have successfully completed a programme of upper secondary level education (corresponding to ISCED 3 and/or 4 on the new classification), a level referred to in the graphs as 'medium'
- those with an educational attainment level below this (corresponding to ISCED 0, 1 or 2 on the new classification), a level referred to in the graphs as 'low'.

some extent — sales assistants or waiters, in particular — the main growth has been in jobs demanding a capacity to understand concepts and apply them in practice and an ability to manage, take responsibility and communicate. Almost all the net increase in employment over the 1980s and 1990s in the EU has been in jobs for managers, professionals and technicians (technicians is shorthand here for the International Standard Classification of Occupations — ISCO-88 — group, 'Technicians and associate professionals', which includes, for example, professional engineers, computer analysts and teachers) for which intellectual ability and a high level of educational attainment are often necessary conditions for entry. This has been coupled with a decline in manual jobs, for unskilled workers, but also for skilled workers, many of whose jobs have changed with the increasing use of automated or computerised techniques requiring different kinds of skills than before, with increased emphasis on technical know-how and less on manual dexterity

Education levels and employment

Shifts in the sectoral pattern of employment and the relatively large numbers in the EU employed in advanced service activities, as well as in the more high-tech parts of manufacturing, have important implications for the education levels (see Box) required of the workforce. People who succeed in attaining a high level of education are, in most countries, significantly better placed to get a job than those with a lower level (as well as getting a highly paid job). This is particularly the case for women, but it is also applies to men, especially as they grow older.

In the EU, an average of only 80% of men between the ages of 25 and 54 with no education or vocational training beyond basic education (compulsory lower secondary level schooling) were in employment in 1997 (the latest year for which data are available). This compared with over 86% of those with upper secondary level education and over 91% of those with tertiary education (a university degree or equivalent) (Graph 4; see Box for definition of education levels). This general pattern is true of all Member States except Greece, where education levels seem to make little difference to the chances of a man being in work. The effect of education was particularly pronounced in Germany, Ireland and Finland, where under 75% of men with only basic schooling were in work as compared with well over 90% in the case of those with tertiary education.

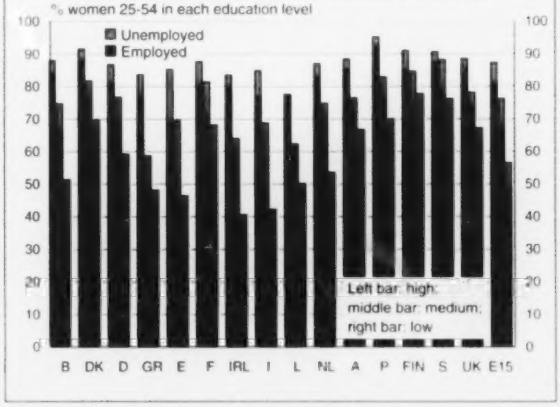
In all Member States, again apart from Greece, not only were employment rates lower but unemployment rates were significantly higher for those with only basic education compared to those with a higher education level. On average, the unemployment rate in the EU for men aged between 25 and 54 with only basic education was over 11% in 1997, as against under 5% for someone with a university degree or equivalent. The effect of education levels was especially marked in Germany, Ireland and Finland, where unemployment of men with the lowest education level was 15 to 17% of the workforce, whereas for those with tertiary education, it averaged 3 to 5%.

For women, the effect of education on the chances of being in a paid job is pronounced in all Member States. Throughout the EU, 48% of women aged 25 to 54 with only basic education were in employment in 1997 as op-

4 **Participation rates of men aged 25-54 by educational attainment in Member States, 1997**

% men 25-54 in each education level
Unemployed
Employed
Left bar: high;
middle bar: medium;
right bar: low
B DK D GR E F IRL I L NL A P FIN S UK E15

5 **Participation rates of women aged 25-54 by educational attainment in Member States, 1997**


% women 25-54 in each education level
Unemployed
Employed
Left bar: high;
middle bar: medium;
right bar: low
B DK D GR E F IRL I L NL A P FIN S UK E15

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posed to over two-thirds of those with upper secondary level education and over 80% of these with third level (Graph 5). The difference was especially large in countries where participation of women in the labour force overall is low, in Greece, Spain and Italy, and in Belgium and Ireland. In Spain, Ireland and Italy, only around a third of women with only basic education were in work, in each case less than half the proportion of those with tertiary education. In these five countries, unemployment rates for women with basic education are substantially higher than for those educated to higher levels. However, low levels of employment largely reflect the fact that only a relatively small number of women with basic education are part of the labour force. In these five countries, half or more of women in this category were economically inactive in 1997, in Ireland and Italy, around 60%, compared to only around 15% of women with tertiary education.

The potential importance of increasing the number of women with only basic education pursuing working careers can be seen by considering the possible effect of this on the EU workforce in future years. There are over 32 million women aged between 25 and 54 in the EU with only basic education. An increase in the proportion who are economically active to the same level as women with upper secondary education would add some 6½ million to the EU's workforce, equivalent to expanding it by 4%. This is over twice the projected increase in the number of people of working age between 1999 and 2010. Consequently, women in this category represent a substantial untapped pool of labour who could offset the effect on the workforce of demographic trends for some years to come, though it would almost certainly require a substantial vocational training effort to realise their potential.

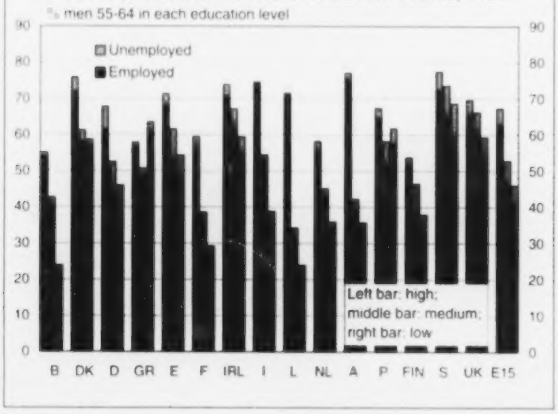
Older workers and education levels

The effect of education levels on the employment of men becomes much more pronounced for those in their mid-50s and over. In 1997, only around 42% of men aged 55 to 64 with only compulsory basic education were in work in the EU and another 4½% were unemployed (Graph 6). Accordingly, well over half were not economically active at all, most of these having taken early retirement (in most Member States, the official age of retirement for men is 65). By contrast, some 63% of men with a university degree or equivalent were employed and just under 4½% actively seeking work, so that under a third were economically inactive.

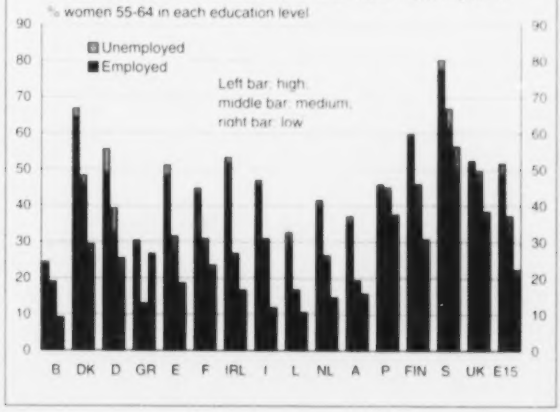
The same pattern is evident in all Member States, again with the exception of Greece, where the proportion of men in this age group still in employment and in the workforce was slightly higher for those with only basic education than for those with a high level. This reflects the continuing importance of agriculture in the Greek economy which employs over a third of all men in this age group, substantially more than men in younger age groups (only 10% of men aged 25 to 49 were employed in agriculture).

For a similar reason, the gap in the participation rate between those with a basic and those with a higher educational level was smaller in Ireland and Portugal than elsewhere (in both countries, around a quarter of men aged 55 to 64 worked in agriculture, over double the proportion of men aged 25 to 49 in this sector in Ireland and over four times the proportion in Portugal), though it was still the case that there were, proportionally, signifi-

6 **Participation rates of men aged 55-64 by educational attainment in Member States, 1997**



7 **Participation rates of women aged 55-64 by educational attainment in Member States, 1997**



cantly more people with a higher education level in employment than those with a lower level.

In general, the difference between rates of participation in the workforce, and of employment, across the EU is greater for men with basic education than for those with high levels, indicating that in some countries — Denmark, Sweden and the UK, in particular — much more success has been achieved in keeping older workers in employment than elsewhere.

A similar pattern of differences in employment rates between those with higher and lower levels of education is evident for women in the 55 to 64 age group. In 1997, just over half of women in this age group in the EU with tertiary education were still economically active, whereas only just over 20% of those with only basic education remained in the workforce (Graph 7). The only two countries where the effect of education on employment seems to have been relatively small are Greece and Portugal, where in both cases a significant proportion of women in this age group, as for men, were employed in agriculture (over 60% in Greece, just under 40% in Portugal).

Despite these differences in employment rates between men and women with different education levels, it is still the case that a larger proportion of those in employment in their late 50s and early 60s have only basic levels of education than people in younger age groups, reflecting the significant expansion of participation in further and higher education which has occurred over the past 30 years. This emphasises the potential problems of reversing the trend towards earlier retirement. The challenge is to ensure not only that sufficient jobs are created to provide employment, but that the people in question are capable of performing them, which implies a need to give them increased access to training.

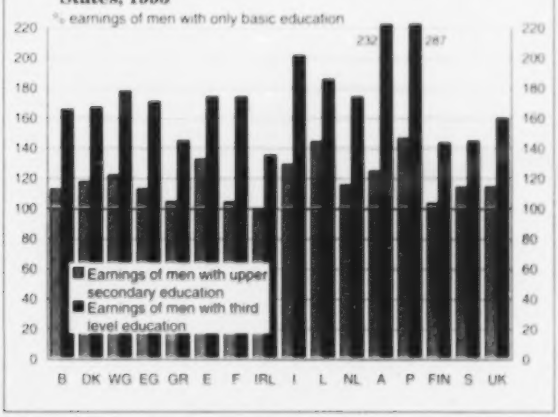
Education levels and earnings

People with high education attainment levels tend to earn significantly more than their less well-educated counterparts. This is clear from the findings of the Structure of Earnings Survey (SES), for 1995, which indicate that, on average, the returns to university education, in particular, were substantial throughout the EU, even if evidence for lower levels is less unambiguous (see Annex for details of the SES).

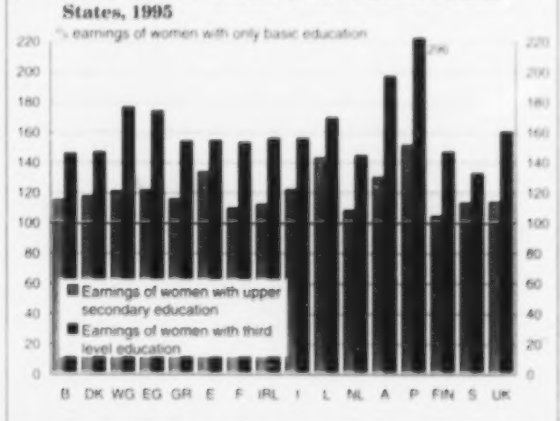
In 11 of the Member States, the average monthly earnings of men with upper secondary level qualifications were over 10% higher than those for men with only basic education (Graph 8, which, like the following graphs, shows earnings of men with medium and high education attainment levels as a percentage of those of men with basic education). In Spain, Luxembourg and Portugal, they were over 30% higher. However, in these countries, the proportion of men in employment with upper secondary qualifications covered by the SES was well below average, perhaps indicating that they were in short supply relative to demand.

In Greece, France, Ireland and Finland on the other hand, the average earnings of men with upper secondary level education were not much higher than for those with basic education and in Ireland, they were below. This suggests the lack of a financial incentive to remain in education beyond compulsory schooling, even though in these countries — except for Greece

8 The returns to education for men in Member States, 1995



9 The returns to education for women in Member States, 1995



— the chances of finding a job were greater for those who had progressed beyond this level.

In the case of women, there is evidence of positive returns to upper secondary level education right across the EU. As for men, they were relatively low in France, Ireland and Finland, but also in the Netherlands (in Greece, they were around average) (Graph 9). In Spain, Portugal and Luxembourg, the average earnings of women with upper secondary qualifications were over 30% higher than for those with only basic education. As in the case of men, the relative number of women with these qualifications in these three countries was much smaller than in most other countries.

The returns to tertiary education — university or the equivalent — were more substantial in all Member States for both men and women. In all but Greece, Ireland, Finland and Sweden, men with tertiary education attainment earned, on average, at least 60% more than those with only basic education. In Italy, Austria and Portugal, earnings were at least twice as high, a reflection, perhaps, of the lower proportion of men with these qualifications in these three countries than elsewhere in the EU.

For women, the returns to tertiary education were large in most countries but lower than for men. Only in Germany, Austria, Portugal, the UK and Luxembourg were the average earnings of women with a university degree or the equivalent at least 60% higher than for those with only basic education and only in Portugal were they over twice as high.

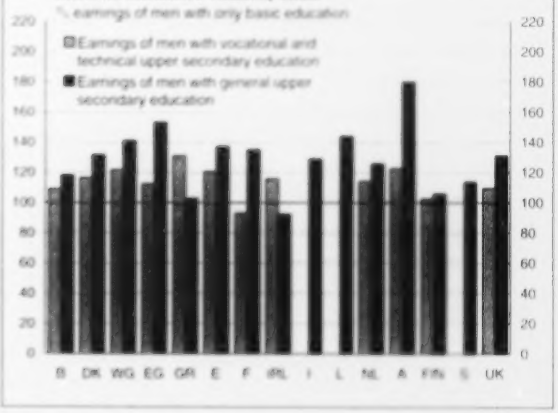
Vocational versus general education

From the data compiled by the SES, it is possible to compare earnings of those with different kinds of upper secondary and tertiary level qualifications. For those with upper secondary level education, the average earnings of those who had completed a general course were higher than those who had undertaken vocational or technical training in all Member States, except for Greece and Ireland (Graphs 10 and 11). Levels of earnings for those completing a general education course were higher, in particular, for men in Germany (especially in the new Länder), Austria, France and the UK. However, in Germany and Austria, the earnings figure is almost certainly distorted by the very small number of men who have a general upper secondary level education as opposed to a vocational one.

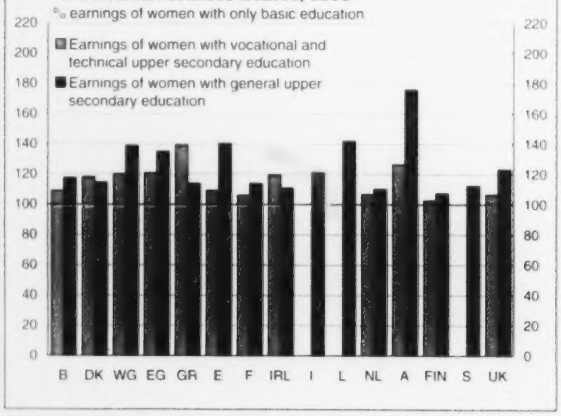
In the case of women, earnings of those who had completed general upper secondary education were substantially higher than those who had undertaken a vocational training programme in Spain and the UK, as well as in Germany and Austria, where the comparison is liable to be misleading for the same reason as for men.

Nevertheless, in all countries except France, men with a vocational upper secondary level qualification earned on average more than those with only basic education, though only in Germany, Austria, Greece and Spain was the difference 20% or more. The average earnings of women with vocational upper secondary education were higher than for those with a lower level in all Member States, though only in Germany, Austria and Ireland was the difference 20% or more.

10 The returns to upper secondary education for men in Member States, 1995



11 The returns to upper secondary education for women in Member States, 1995



Tertiary education

The boost to earnings from gaining a university degree is significantly greater in all Member States than from obtaining a non-university qualification for both men and women. Nevertheless, in most countries, the average monthly earnings of those with non-university tertiary education were over 10% higher than those with only upper secondary level (Graphs 12 and 13).

Men with university degrees earned around 50% or more than those with only upper secondary level education in all Member States except Sweden. In France and Austria, the difference was over 80%. For women, however, average earnings of those with university degrees were more than 50% higher than for those with upper secondary level education only in Ireland, Finland and the UK.

The returns to postgraduate education seem significant in all Member States, with the exception of Austria in the case of women. For men, the average earnings of those with postgraduate qualifications were at least 15% higher than for graduates in 1995 in all Member States except Denmark, Austria and the UK, while for women, this was the case in all countries, except Spain, Ireland and the UK, in addition to Austria. At the same time, the small number of people with such qualifications in the sectors covered by the SES should be emphasised, since this may well affect the results.

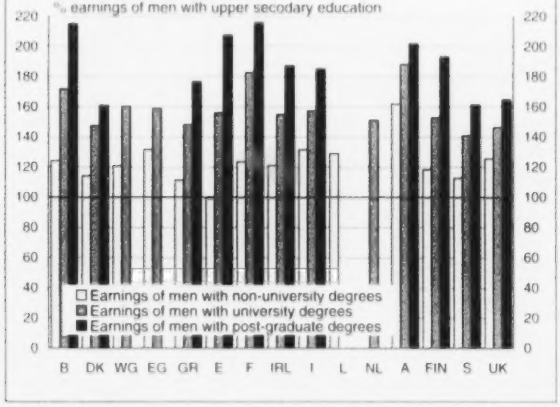
The evidence, overall, is that earnings tend to be increased significantly by education. This is true in most countries for those who complete upper secondary level education, though not apparently for men in Greece, France, Ireland and Finland, and less so for those opting for vocational or technical training as opposed to more general education. It is even more the case for those with university degrees who tend on average to earn considerably more than other people in the workforce.

Concluding remarks

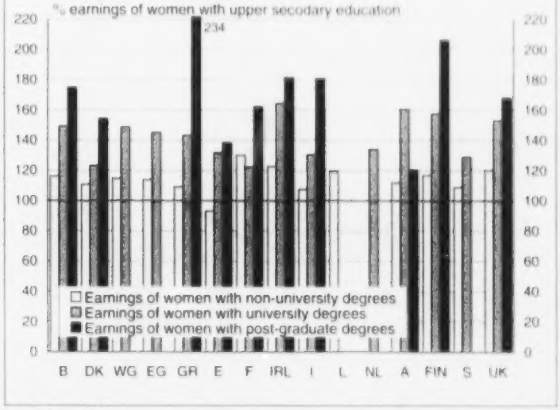
It is clear that the nature of economic, social and demographic change and its corresponding effects on the structure of employment and the content of jobs, is far reaching. The challenge facing education and vocational training systems is to equip people not only with the ability to adapt to change but also with the capacity to shape the direction of change. Moreover, this challenge needs to be met in a context where the structure of labour demand will continue to change, perhaps at an even faster rate than in the past. At the same time, though this challenge is common to all parts of the EU and though the pressures which they face are similar, the structure of economic activity varies markedly between them, as does, accordingly, the skills required of the workforce and the proportion of young people going on to secondary and tertiary education.

How systems respond to this challenge is a major determinant of the prospects for economic development of the country concerned. It is also important for social cohesion given the level of educational attainment is, increasingly, a key factor in determining life chances. However, it is important to bear in mind that, in practice, education and vocational training systems comprise a diverse mix of providers at different levels in the private as well as the public sectors, in enterprises as well as in formal education institutions. The way that they develop

12 The returns to higher education for men in Member States, 1995



13 The returns to higher education for women in Member States, 1995



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— how the content of what is taught and how it is taught and how the number of people that have access to them evolve — is subject to a range of diverse influences. Governments, as well as the social partners, can seek to affect this process. Ultimately, however, the outcome depends on the actions taken throughout society, by the many entities delivering vocational training, by the effectiveness of the training provided, by the extent of co-operation between the various parties concerned and by the choices made by those seeking to learn.

The following chapters are concerned with developments in the vocational training systems of the Member States. Drawing on the national action plans (NAPs) prepared by Member States in the light of the 1999 guidelines for the European employment strategy, as well as on other material, they examine the policy responses to the major changes indicated above in the light of the five aims for Community vocational training policy, as set out in Article 150 of the Amsterdam Treaty, namely to:

(a) facilitate adaptation to industrial changes, in particular through vocational training and retraining;

(b) improve initial and continuing vocational training in order to facilitate vocational integration and reintegration into the labour market;

(c) facilitate access to vocational training to encourage mobility of instructors and trainees and particularly young people;

(d) stimulate cooperation on training between educational or training establishments and firms;

(e) develop exchanges of information and experience on issues common to the training systems of Member States.

Chapter 3: To facilitate adaptation to industrial change via training and retraining

Introduction

As indicated in Chapter 2, change has been the hallmark of the economic and social history of the EU. Facilitating adaptation to change — the first in the list of the five aims in the Treaty of Amsterdam — has always been a prominent theme of vocational training policy at the European level.

The 1963 decision laying down the principles for implementing the common vocational training policy set the objective of broadening vocational training to meet, among other things, requirements arising from technical developments, new methods of production and social and economic developments. Throughout the years, various policy statements have emphasised the importance of adapting to change and cooperation has been encouraged in this area, for example, in the Comett programmes adopted in 1986 and 1989 and the Leonardo da Vinci programme adopted in 1994. Moreover, one of the main objectives of the ESF from 1994 on has been to assist those in employment to adapt to structural changes in the economy, especially to the decline of particular industries. Also on the theme of change, the European Commission's 1993 white paper, *Growth, competitiveness, employment*, brought into the debate the need for vocational training systems to adapt to change, not least to accommodate growing interest in lifelong learning.

Changes in the structure of employment in all parts of the EU over the past two decades show no sign of slowing down. The closer integration of European economies, the process of globalisation and the increased pace of technical advance appear set to accelerate the speed of change. Consequently, the jobs on offer in the EU which have altered substantially in recent years, are likely to go on changing in the future.

The problem confronting systems of education and vocational training across the EU is to respond to these changes and to provide people with the skills and qualifications they need and which are in demand.

This chapter shows that in the light of these common concerns, education and vocational training policy across the EU, and especially in countries where deficiencies were most apparent, has been to:

(a) raise the skill levels of the workforce by raising the educational level of those entering the labour market. Member States have sought to ensure that initial vocational training provides young people with key skills which are transferable to different occupations and which also provide the basis for continuing to learn. In addition, Member States have aimed to raise skill levels by increasing continuing vocational training;

(b) make education and vocational training more responsive to labour market demands, both by enlisting the participation of the social partners, where this was not the case before, to take advantage of their direct knowledge of the jobs on offer and closer understanding of the prospective direction of change, and by decentralising responsibility for tuition provided to regional or local levels;

(c) seek to increase investment in education and training not only directly by expanding public expenditure but, in a number of countries, given the constraints on government budgets, by encouraging individuals to invest more in their own training and enterprises to step up the tuition provided to their employees.

The chapter examines the changes made by Member States in pursuit of the above aims. In addition, it looks at the ongoing debate about the underlying rationale for the growing participation of young people in further education and initial vocational training and for the rising education and skill levels of the workforce. It concludes by highlighting some of the different issues and options under discussion in developing effective vocational training policies to adapt to change.

Raising the skill levels of the workforce

In all Member States there is a general policy of raising the skill levels of the workforce. This is being pursued in two broad ways. The first is to try to increase the number of young people remaining in education and vocational training beyond basic schooling and to seek to ensure that those entering the labour market have the necessary qualifications to have a reasonable chance of pursuing a worthwhile career. The second is to try to increase the provision of continuing vocational training to those already in work or to those returning to employment after a period out of the labour market.

As a result of this policy, education levels of people of working age have risen significantly in virtually all parts of the EU over the long term. They are continuing to increase as more young people achieve upper secondary and tertiary level qualifications. Across the EU, around 70% of 25 to 29 year olds have at least upper secondary level qualifications, whether vocational or general. At the same time, the amount of knowledge associated with a particular level of education has risen progressively over time, so that most upper secondary level qualifications demand a higher level of understanding now than 20 or 30 years ago.

Reflecting these trends, the number of years of compulsory education has been increased throughout the EU over the post-war years (see Box).

This has been accompanied by moves to try to ensure that, in practice, young people remain within the education and vocational training system, widely defined, for more than the standard 9 years and beyond the age of 16, so that they are able to acquire both the general education and vocational skills to improve their job prospects not only in the short term but over their working career as a whole. In Belgium, young people are effectively required to be in at least part-time education or vocational training until the age of 18, even though they can leave school at 16. In Italy, there are plans to introduce a similar requirement. In practice, whether there is a formal provision or not, most young people in most Member States remain in the education system until they are 17 or 18.

According to the EU Labour Force Survey (LFS), in 1997 (the last year for which data are available), some 85% of young people in the EU aged 17 were receiving full-time tuition in a school or college, or were spending part of their time in a working environment and the rest in school or college (Graphs 14 and 15). In Belgium, Germany, France, Finland and Sweden the proportion was over 95% and in Denmark, Luxembourg, the Netherlands and Austria, over 90%. On the other hand, in Spain and Italy, it was under 80%, in Portugal, just under 75% and in the UK, only around 66%. In all countries apart from Austria, the proportion of women aged 17 receiving education or training was either higher than men or the same.

Some 77% of young people of 18 in the EU were in education or training in 1997. In three, Belgium, Denmark and Sweden, the proportion was 90% and in Germany, France, Luxembourg and Finland almost 90%. In Portugal, it was just under 70% and in the UK, only 55%. As for 17 year-olds, the proportion

Extending compulsory education

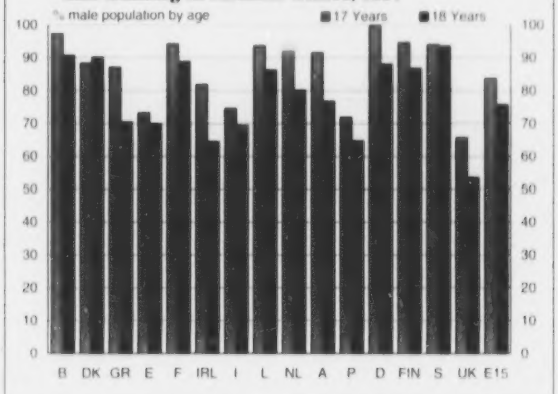
In Ireland, new legislation was planned, as part of the 1998 national action plan for employment, to extend the school-leaving age to 16 or the completion of three years secondary level education, whichever was the later. In addition, it was also proposed to establish an educational welfare service to support families and children who have difficulties with school attendance and to encourage those leaving school without adequate qualifications to go into further education or training.

In Luxembourg, secondary education was reformed between 1991 and 1995 to prolong general education, while increasing the degree of specialisation in the last two years. Changes were also made to the content of courses to increase their relevance and interest for students and to teaching methods to improve the quality of tuition.

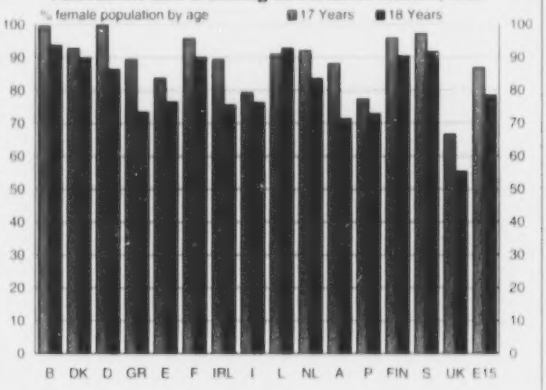
In Italy, the compulsory school-leaving age was raised to 15 only in 1999, but this affected only some 30 000 children and, in practice, virtually all young people remain in education until they are at least 16.

In Norway, the number of years of compulsory schooling was increased from nine to ten in 1997, with the starting age being lowered from seven to six rather than the leaving age being raised.

14 Participation of men aged 17 and 18 in education and training in Member States, 1997



15 Participation of women aged 17 and 18 in education and training in Member States, 1997



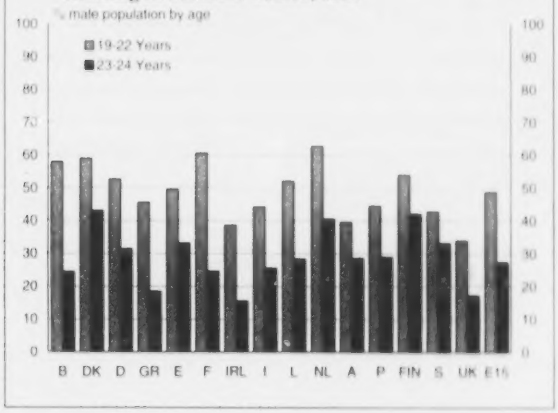
was higher for women than men in most countries, in all but Germany, Austria and Sweden, as well as Denmark, where it was much the same.

Although participation in education and vocational training declines significantly after the age of 18 in most parts of the EU, an average of around two-thirds of 19 year-olds were still receiving tuition, on a full-time or part-time basis, and half of those aged 19 to 22 (Graphs 16 and 17). For the latter age group, the proportion was around 60% or more in Belgium, Denmark, France and the Netherlands, though under half in Greece, Ireland, Italy, Portugal and in Austria and the UK, under 40%. In all Member States, apart from the Netherlands, Austria and the UK, where it was lower, the relative number of women in education and vocational training was significantly higher than of men. At 24 years old, the proportion in education or training in the EU drops to around a quarter, but it was still over 40% in Denmark and Finland and over a third in Spain, the Netherlands and Sweden, with, in all cases apart from the Netherlands, the number of women exceeding that of men.

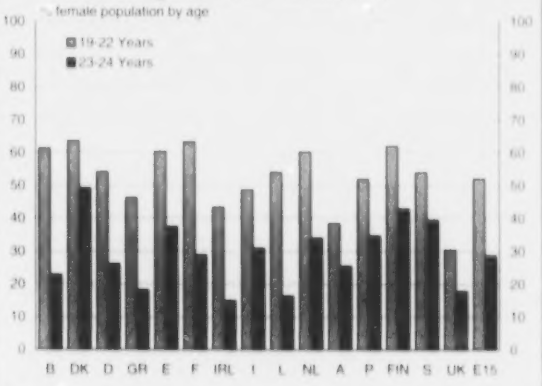
There is some difficulty in assessing changes in participation in education and vocational training over the long term because the data available are not wholly consistent. Nevertheless, LFS figures indicate that since 1992, participation of young people above the school-leaving age has risen in most Member States. Between 1992 and 1997, the proportion of 15 to 19 year-olds in education or training increased from just over 80½% to just over 83% in the EU as a whole, with only the Netherlands and the UK not registering a rise (though this may reflect data problems).

The growth in participation was even greater for those aged 20 to 24, the EU average increasing from 32% in 1992 to 38% in 1997. The increase seems to have been especially marked in Italy, Spain and Portugal.

16 Participation of men aged 19-24 in education and training in Member States, 1997



17 Participation of women aged 19-24 in education and training in Member States, 1997



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Part of this general increase for both age groups may be due to the high level of unemployment in most parts of the EU over this period and the relatively low rate of net job creation, which limited employment opportunities available for young people, especially those with relatively low skills (the number of low-skilled jobs declined over this period, as it tends to when overall employment growth is low — see below). Nevertheless, there is a clear long-term trend towards increased participation.

The relative number of people in the workforce without some form of qualification beyond basic schooling is much lower for those in their 20s, who have entered the labour market comparatively recently, than for those in their 40s, who entered some 20 to 25 years earlier. The difference is particularly large in the emerging economies, specifically, Greece, Spain, Ireland and Portugal. In Spain and Portugal especially, but also in Italy, it will take some years to reach a point where the great majority of people of working age have upper secondary or third level qualifications.

In Greece and Ireland, over half the potential workforce had no qualifications beyond basic schooling in 1997, in Italy over 60%, in Spain, over two thirds and in Portugal, over three quarters. This contrasts with the position in Germany, Austria and the Nordic countries, where well under a third of the population aged 25 to 64 fell into this category. In the case of those aged 25 to 29, however, the difference was much less pronounced. In Greece and Ireland, only around 30% of people in this age group had left school without at least an upper secondary level qualification, and in Spain and Italy, only 45%. While the figure in Portugal was above this (still around 60%), it is declining fast.

Nevertheless, while the number leaving school without proceeding to further education or vocational training has fallen sharply in Portugal over recent years, there are still at present close to 60 000 young people — around 40% — who leave the secondary education system each year without vocational skills. The problem of reducing this number significantly comes down largely to one of resources, and to make good the shortfall of around 40% in the availability of places in initial training will take some years.

Participation in education beyond compulsory schooling is also increasing in northern Member States where the proportion has been comparatively high for some time. In most of these, well under a quarter of young people aged 25 to 29 now have no qualifications beyond basic schooling and in Germany and the three Nordic Member States, 15% or less. (In Norway, where comparable data are not available, only 5% of those completing compulsory schooling do not go on to further education, as compared with almost 30% in 1980.)

In all of these countries, as elsewhere in the EU, there is a commitment, as part of the European employment strategy, to reducing the proportion even further, to try to attain a position where everyone leaving the education system has at least a minimal amount of vocational training beyond basic schooling. (In France, for example, where the number with a *baccalauréat* has doubled over the past 15 years, from 30% to 63%, the target is to raise this further to 80%, while in Denmark, the aim is for 90-95% of young people to complete upper secondary education.)

Demand versus supply-led increases in education levels

Although there is little room for debate about the significant long-term increase in the proportion of young people completing upper secondary and tertiary education and initial vocational training, there is room for debate about the reasons underlying the rise. More specifically, the question is whether the rise results from the demand side, in the sense of employers requiring more highly educated people to perform jobs being created as economic development takes place, or whether, on the contrary, it arises from the supply side and the desire of individuals to be better educated, encouraged by governments expanding the places available.

The answer to this question has implications for policy. If the increase in participation in further and higher education is not strictly due to economic forces, then although there may be a case for continued expansion, in that it reflects a growing demand for education on the part of individuals, the economic justification for government support of this may be weakened. The willingness of governments to increase expenditure on education and initial vocational training beyond basic schooling and to extend its duration stems in part from the conviction that they are contributing to strengthening the potential for

economic development. At the same time, however, irrespective of the economic case, there is a strong argument that access to higher education is a key feature of a democratic society.

The question may also have a bearing on individual well-being. If, in reality, the increase in education levels is not justified by the greater skill requirements of jobs in the economy, then it could lead to a growing sense of frustration and disillusionment over the lack of opportunity to make use of the tuition received.

In practice, while a case can be made for the increase in participation in education being primarily due to supply-side factors, the weight of evidence suggests that there has been a strong demand-side pull which shows no sign of abating (see Box for a summary of the debate). There is a close relationship between education attainment levels and the chances of being employed. There is a positive association between education attainment levels and earnings, which suggests that employers are willing to pay a premium for better educated and trained people. Furthermore, the division of employment between sectors has shifted appreciably towards more advanced services, such as business services, health and education and, within manufacturing, towards high-tech industries. The occupational structure of jobs has shifted in a similar way, from less skilled manual jobs to higher skilled non-manual ones, specifically to managerial, professional and technical positions.

Nevertheless, while there is clear evidence that there has been a general upskilling of jobs and that most of the new employment opportunities demand a high level of education, there are other observations which need to be kept in mind.

Firstly, the fact that unemployment tends to be high among the less well-educated in the EU reflects not only some mismatch between this and the skills available on the labour market, but also the fact that, in most parts of the EU, there are more people looking for work than there are job vacancies. As a result, since employers can pick and choose whom they recruit, they are likely to opt for those with the highest educational attainment levels, irrespective of the skills required. In effect, in a market characterised by significant excess supply of labour, a high level of education may well have become a qualifying condition for access to many more jobs than is strictly justified by their skill content. Some confirmation of this is found in the fact that in countries with relatively high employment levels, such as Denmark or Austria, unemployment among those with no educational qualifications beyond basic schooling is relatively low.

A second observation is that in many Member States, unemployment among those with high levels of education is also high, which indicates that in itself having a high level of attainment does not guarantee a job. The qualifications attained need to be in a area where there is a labour market demand and may need to be combined with relevant practical know-how and personal skills. This, of course, should not be interpreted to mean that high unemployment is solely, or even mainly, due to skills' mismatches on the labour market. Many other factors, arising from the supply as well as the demand side, are also likely to contribute.

Thirdly, although the sectoral shifts have been towards more advanced activities, this does not mean that all jobs created in these sectors demand high education and skill levels. In manufacturing sectors, in particular, much technological effort has gone into simplifying jobs to increase productivity and reduce production costs. Some skilled craftsmen, for example, have been replaced by computer-operated machine-tools which can be worked by the push of a button. Whether the latter task involves more education and training is open to question, though it is likely to involve a different kind of preparation.

Nevertheless, the types of skill required have clearly changed, with an increasing need, in both manufacturing and services, for intellectual rather than physical abilities. Indeed, most of the job losses in the EU stem from declining demand for those with relatively low skill levels, though the extent of the decline clearly reflects the low rate of economic growth and net job creation over much of the past 20 to 25 years. There was, therefore, no decline in employment of manual workers during this period in the United States, where the rate of net job creation has been much higher, or during the 1990s in the Netherlands and Ireland, which also enjoyed relatively high employment growth. However, in all three countries, there was still a substantial shift in employment towards managerial, professional and technical positions, not only in the economy as a whole, but also in

How far is the growth of education and training justifiable in economic terms?

There is no denying that the number of young people staying on in education beyond compulsory schooling has increased in recent years and that this is progressively raising the educational attainment level of the workforce in Member States. The underlying reasons for these increases, however, are the subject of debate.

A research study (Mallet et al, 1999) comparing the way that people with different skills were allocated between occupations in 6 EU Member States (the five largest plus the Netherlands) over the period 1975 to 1995 came to the following conclusions:

- the level of educational attainment has risen in all occupations not just the growth ones;
- the educational qualifications of people moving into different jobs seem to reflect the general level of qualifications in the country concerned rather than the specific requirements of individual jobs;
- in recent years, relatively qualified people have taken up jobs with low skill requirements;
- a diploma of some kind is becoming a necessary condition for finding a job;
- the link between salaries and diplomas is weakening as qualified people are forced to take low-paid jobs (though evidence from the SES is that it remains strong on average).

This seems to suggest that the increased level of education and training is due as much to an exogenous social demand for education on the part of young people as to the demands of employers for more skilled labour.

The research also drew attention to a consensus among the three sides involved — government, employers and individuals — in favour of the growth in education and training provision. This consensus, it was noted, could well come under increasing strain as budget constraints tighten; as the limited resources available are concentrated on the disadvantaged to combat social exclusion; as individuals become increasingly dissatisfied with both the returns to education (if indeed the relative salaries paid to more qualified people are falling), and with the kind of job they are offered; as older workers without formal qualifications or with outdated ones have greater difficulty competing for jobs with younger members of the workforce and so press for an increase in continuing relative to initial training and as these formal qualifications are made obsolete by the pace of technological change.

Others have questioned this argument and highlighted opposing developments. New information technology, for example, has reduced the demand for less skilled jobs, as well as increased the quality and range of goods and services produced which has led to a counterpart growth in demand for a more highly educated and trained work force (Steedman, 1999). For example, in the water industry, operators monitoring water quality now need to be able to interpret graphics and use techno equipment, whereas previously a sense of taste and good eyesight were sufficient. Similarly, in financial services, there is an increasing need to be able to process a wide range of rapidly changing information, again requiring high intellectual ability. In a number of areas of the economy, moreover, replacing lower skilled with higher skilled workers is a means of raising productivity and reducing costs and so remaining competitive.

Furthermore, it is argued that the content, and therefore the output of the education system, has also changed, in the sense that those attaining a particular level of education are likely to be better, and more appropriately, trained than in the past (Beuchteman, 1999).

Another view is that formal qualifications have become a device for allocating job seekers in the labour market, in the sense that they are often a condition of applicants being successful in finding a job (Eliasson, 1999). The result can be inflation in unnecessary qualifications and high unemployment among those with no formal qualifications, irrespective of whether they are suited for a job or not. This raises a question about how far formal qualifications accurately reflect an individual's true ability, which is a necessary condition for the labour market to function efficiently and for people to be rewarded in terms of their true economic value. In practice, formal education in academic subjects, like maths and physics, may well act as an effective platform for specialised vocational training and on-the-job learning and, accordingly, a good indicator of intellectual capacity and the ability of individuals to acquire the skills needed in specific jobs, especially the more demanding ones and those where there is rapid technological advance. Instead of indicating over-education, therefore, the growing levels of educational attainment may be a positive development which should be welcomed.

manufacturing and individual sectors, such as services (European Commission, 1999a).

In summary, though there are counter-arguments to the commonly-held view that continuing increases in education attainment levels of those coming onto the labour market are required by the increasing skill content of jobs, growth in education and vocational training beyond compulsory schooling is likely to continue. Pressure on governments and individuals, as well as the widespread conviction among employers that they need a better educated and trained workforce, is almost certain to ensure this. It is difficult, moreover, to deny that continuing growth of education levels will not improve the chances of securing higher rates of growth and employment in the economy, high earnings for individuals and greater efficiency and competitiveness for employers. It is also difficult to argue against people having the chance to acquire the skills and know-how needed to pursue a worthwhile career and the education required to play their proper role in society. Indeed, equal access to education has become a fundamental aspect of equality of opportunity from a social as well as economic perspective.

The content of initial vocational training in the context of change

The need for the workforce to be able to adapt both to structural change and the content of jobs raises questions about the highly formalised structure of occupations which has traditionally existed in a number of Member States, especially Germany and Austria. In both countries, there is typically a well-defined programme of vocational training and set of qualifications which anyone wanting to take up a particular job will usually need to have completed before they can hope to be employed. The corollary of this is a highly differentiated range of education and training courses at secondary level, particularly in respect of vocational training, which combine school-based tuition with practical on-the-job experience (the dual system).

For many people in these countries, their career prospects and their place in society — largely determined by the occupation followed — are largely decided at a relatively early stage. The position is not so different in other countries, though the structure of occupations is generally less formalised and preparation for particular jobs usually involves fewer years of training.

As the structure of the economy evolves and new jobs are created, and as the content of existing jobs changes, then the structure of occupations and, correspondingly, the training which goes into preparing individuals for particular jobs, has also to change. There are essentially two responses to this, given the desire to maintain a formal structure. One is continuously to define new occupations or redefine existing ones to try to keep up with change. The other is to broaden the definition of occupations to encompass new jobs as they emerge. In practice, both approaches have been followed and, as noted below, there has been a marked trend in recent years to reduce the number of occupations which are categorised.

A related response has been to broaden the content of initial vocational training courses, to include more general education to provide the basis for vocational training in specialised areas and to strengthen the capacity of participants to adapt to future changes in the techniques of performing a particular set of tasks or to shift to a related area of activity. The aim, therefore, is both to teach individuals the skills required to perform a given job but to try to ensure that they are able to keep up with new advances in working methods and to take up other jobs if the need arises.

This approach is based on the notion that for any occupation or activity there is key set of skills or qualifications which individuals need to possess in order to perform the various tasks in a particular job (see Box). These skills are more general in nature than the specific ones involved in the job itself. They consist, for example, of the ability to reason logically, critically and conceptually when analysing and solving practical problems. They also include an ability to learn, communicate and cooperate with others and the capacity to acquire, understand and process information.

The main function of the education and training system is to pass on this set of key skills as well as those which are more specific to particular activities. This implies a prior need to define the precise qualifications required for different occupations and the division of responsibility for teaching them between different parts of the system. It also implies that any effective programme of vocational training needs to

Key skills or qualifications as a response to occupational change

The concept of key qualifications was developed by Mertens in the early 1970s (Mertens, 1972 and 1974). Such qualifications were regarded by Mertens as a means both of survival in an increasingly complex and uncertain world and of fostering innovation and social change.

The concept was developed further in the 1980s and 1990s by Kaiser, Bunk and Zedler (see Tessaring, 1998), who introduced the concept of 'competencies', or abilities, and distinguished five key ones which should be included in curricula in schools and in training courses:

(a) subject-specific competencies to perform a particular job which are mainly acquired in vocational or on-the-job training;

(b) self-responsibility or participation competencies for facilitating self-directed learning and self-responsible work and enabling decisions to be made and responsibility to be assumed;

(c) team or social competencies which nurture the ability to work, cooperate and communicate in a team or group and to act socially;

(d) system or methodological competencies which foster the ability to understand deterministic (cause and effect) processes and to apply this in practice, to organise work efficiently and to know about procedures and divisions of responsibility;

(e) reflective competencies which instil an ability and willingness for self-criticism and evaluation so as to enable improvements to be made and new ways of working to be adopted.

Source: Tessaring, 1998, pp173-179.

consist of both general education to provide the essential basis for the acquisition of specific skills and the ability to continue to learn, and practical training to enable individuals to acquire the specific skills in question.

Growth in continuing vocational training

The growth of education and initial vocational training has been paralleled by an expansion of continuing vocational training. Although it is hard to judge the scale and rate of growth because of deficiencies in data, there is evidence that there has been a significant increase over recent years. This reflects common recognition of its importance both for economic development and the career prospects — and, consequently, the life chances — of individuals.

Indeed, the distinction between initial and continuing vocational training is becoming increasingly blurred in practice, and it is becoming ever more difficult to determine where the former ends and the latter begins. The quickening pace of technological change is progressively increasing the rate at which individuals need to update their skills and know-how, so that access to continuing vocational training immediately after the initial stage comes to an end, or at least the opportunity to continue to learn, has become essential for career prospects in a growing number of occupations.

At the same time, the ever-increasing degree of specialisation in the economy, as processes of production become more sophisticated and the pattern of consumer demand becomes more diversified with growing real incomes, means that the know-how required to perform many jobs is specific to the particular goods or services which the company concerned is producing and to its individual way of working. In consequence, employers in many cases have to provide specialised tuition for new recruits to be able to contribute to the production process. Such specialised tuition, in other words, has become an essential part of vocational training required to undertake particular jobs.

Weaknesses in the initial vocational education system have implications for the scale of effort to be devoted to continuing vocational training in different parts of the EU. Employers in Member States where a high proportion of people do not progress to upper secondary education and beyond and where the vocational

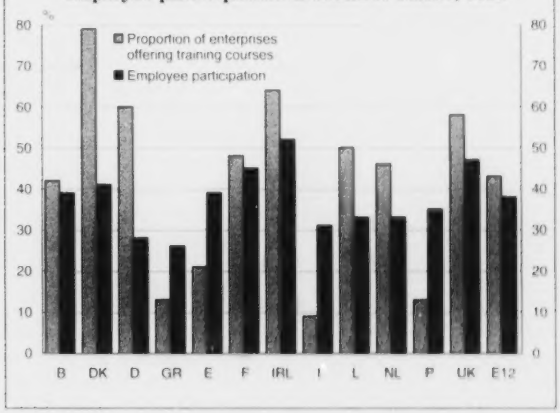
element of what is taught is limited, are likely to have to provide more in the way of basic training as a consequence. Alternatively, it can be argued that the apparent failings of the initial system reflect the skill requirements of the economy, or perhaps more validly determine what these requirements are. In other words, the countries in which the education attainment levels of the workforce are relatively low also tend, with the main exception of the UK and Luxembourg, to be those where the share of employment in agriculture, industry and basic services is relatively high. Accordingly, the scale of continuing vocational training required to upgrade skill levels in these countries may be lower than elsewhere because economic activity is still relatively concentrated in areas of production which are less technologically advanced. This, however, is not to deny the importance of access to continuing training for everyone throughout the EU, irrespective of the job they do.

The scale of continuing vocational training, however, the extent of its variation between countries and the nature of the relationship between the effort devoted and the standard of the initial education and training system are all hard to judge because of inadequacies in data. In practice, the information available in EU Member States on the amount spent on continuing vocational training, the number of people who receive training at work or go on formal training courses, the number of firms involved and the kind of tuition which is given is relatively sparse and dated. The last attempt to collect such data for European countries was the Eurostat continuing vocational training survey (CVTS) conducted for 1993 and the next survey is not planned until 2001. Moreover, partly because of some lack of harmonisation in the questions asked and the definitions used, there are serious questions about the reliability of the results obtained for particular countries and the extent to which they are fully comparable between Member States. This is not least because of the differing interpretations as to what constitutes vocational training and the amount of time that needs to be devoted to it for it to be included in the data.

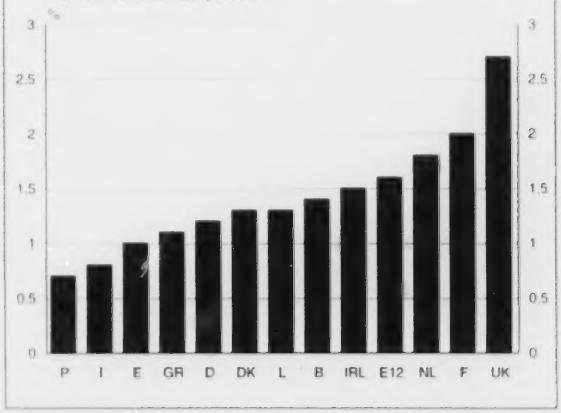
Results of the 1993 CVTS — which relate only to training provided by enterprises and, therefore, exclude government programmes, except to the extent that they are used by firms — are likely, however, to be broadly indicative of the prevailing situation, or at least, as it was a few years ago. They show that the relative number of firms which provide continuing training, the proportion of the workforce which receives training and the amount which is spent all tend to be much lower in the emerging economies, particularly Greece and Portugal (Graphs 18 and 19), but also in Italy. This may reflect the relatively small number employed in advanced services and the larger number of very small enterprises compared to other parts of the EU.

According to the survey, the proportion of employees participating in training and the amount spent by companies in relation to overall labour costs were also both less in Germany than in most other countries, even though the relative number of enterprises providing training (60%) was well above average. This may also reflect the structure of economic activity, in that a comparatively small share of employment is in advanced services — specifically, in this case, in financial and business services, since the CVTS data only relate to enterprises and, therefore, exclude communal services. On the other hand, while a large share of employment is in industry, this tends to be concentrated in relatively ad-

18 Enterprises offering training courses and employee participation in Member States, 1993



19 Training costs as a proportion of labour costs in Member States, 1993



The growth and scale of continuing vocational training

There are comparatively little data available on the extent of continuing training in EU Member States and how it has changed over time. What there are suggest that the scale has increased.

In Austria, according to the Microcensus, 362 000 people underwent continuing training in 1989 as compared with 306 000 in 1982 and 262 000 in 1973. During the period 1985 to 1989, some 745 000 people, 24% of the workforce, are estimated to have undergone continuing training, the most frequent courses being data processing, personality development, company management, law and languages.

In Germany, 24% of 19 to 65 year-olds participated in further training in 1994 as against 21% in 1991. (This compares with a figure of 17% implied by the CVTS data cited in the text, though the latter is confined to enterprises and excludes those employed in the non-enterprise sector as well as the unemployed participating in active labour market programmes.)

In France, according to national data, some 3.3% of company wage bills went, on average, on training workers in 1995. (This compares with a figure of 2% shown by the CVTS, but it tends to confirm the relatively high level of French expenditure — in the CVTS, only the UK having a higher average figure, at over 2½% of labour costs.)

In Sweden (which with Austria and Finland, was not covered by the CVTS), there were around 2 million people in some form of continuing vocational training in 1993 (around half of all those in employment), 70% of them in in-company training (40% of employees), often lasting less than a week. Around 200 000 were in full-time municipal adult education and a further 200 000 were on labour market programmes for the unemployed. In Finland, around half of all employees received training, though in most cases, this lasted for less than six days. In both countries, these figures are higher than in other Member States, according to the CVTS.

In Portugal, the finding of the CVTS, that only around 13% of enterprises provided continuing training in 1993 and only some 35% of the employees in such firms participated, seems to give a reasonable indication of reality. The present government aim is to increase training among employees to 10% of the working population within five years, which if the CVTS data are correct would involve more than doubling those participating.

vanced sectors — in engineering, in particular — where the need for continuing vocational training to maintain competitiveness is likely to be greater than in industry generally. In Ireland, therefore, where employment in advanced services is also below average, a comparatively large number work in high-tech industries, which might help to explain the high participation of both enterprises and employees in continuing vocational training.

Similarly, in the UK, the relatively high figures for participation and the large amount spent by companies in relation to labour costs (more than anywhere else in the EU) might be attributable to the relative importance of advanced services in the economy (financial and business services accounting for some 14½% of employment in 1998 as against an EU average of 11%). It might also, however, in this case reflect lower participation of young people in education and vocational training beyond basic schooling than in other Member State, which might give rise to a correspondingly greater need for continuing training. However, these inferences from the data are speculative, and uncertainty about the comparability of data and the possibility of drawing misleading conclusions should be emphasised.

Although no data exist at EU level to assess changes over time across the EU in the scale of continuing vocational training, national data for some Member States indicate that both the provision of training by firms and the relative number of workers participating have increased over recent years. Such data also throw further light on the growth and scale of continuing vocational training in particular countries (see Box).

In most countries, continuing vocational training is mainly provided by employers, which tends to ensure its relevance to economic needs. According to the Adult Literacy Survey conducted by OECD in 1994, though only for a few Member States, employers were responsible for sponsoring 79% of adult education and training courses in Sweden, 67% in the UK,

51% in the Netherlands and 40% in Ireland (OECD, 1997).

Making training more responsive to the needs of the labour market

It has become an axiom of economic policy that workers and firms need to adapt to change. In practice, this is overly simplistic in the sense that workers and firms are not merely passive players in the competitive process, subject to the whim of external market forces and changes in technology, but they can, and do, influence the environment in which they work.

Accordingly, it is important that there is effective interaction between those responsible for designing and organising education curricular and initial vocational training and employers. The need is, therefore, to develop efficient means of communicating to ensure that vocational training provided is responsive to labour market needs.

This need is recognised throughout the EU and, in practice, a number of arrangements are in place in Member States to do this. These include:

(a) monitoring economic developments and their implications for skill requirements and attempting to predict future changes in the latter;

(b) the involvement of employers and trade union representatives in advising on the courses which should be taught in the education and vocational training system and their content;

(c) the direct participation of those working in different sectors of activity in teaching and the organisation of training courses by the social partners, trade associations or professional bodies;

(d) encouraging regular contact between local businesses and schools and colleges in the area;

(e) establishing career advice centres in schools and colleges;

(f) decentralising decision-making concerning the courses taught and their content to schools and colleges and to regional or local authorities responsible for managing these.

A number of these arrangements are examined in turn below.

Forecasting skill requirements

Arrangements are in place in most Member States to attempt to forecast the skills which, in many cases, involve the social partners either directly or in an advisory capacity. The difficulty of forecasting is that it entails not only predicting the future path of technological advance and its implications for jobs, but also more general economic developments stemming from changes in consumer demand, the process of globalisation and competition for markets. It is further complicated by the relatively long lead-time involved in many cases in increasing the availability of people with particular skills to perform the jobs being created. An effective programme of training, in other words, may extend over a number of years and, in addition, may involve a lengthy period of preparation before the first student can be enrolled.

The advantages of forecasting, however, are that it forces a conscious analysis of the present position in respect of the balance of supply and demand as regards particular skills. It also provides a forum in which the various interests involved can meet and discuss both the present position and prospective developments, and it encourages the formulation of forward-looking and practical measures for reducing imbalances in the labour market and for rectifying possible skill gaps in the workforce. In the latter regard, for example, it might be able to identify ways in which existing courses can be modified.

Involving the social partners

In most parts of the EU, the social partners advise on education curricula and initial vocational training courses at upper secondary level. In addition, they participate in continuing vocational training and, in some cases, on examination boards especially in respect of vocational studies. While such activities are generally encouraged by government, both partners have a mutual interest in courses being relevant to labour market needs and in setting standards which

students have to meet to qualify for a particular vocation. For employers, the incentive is to try to ensure that there is a sufficient number of potential new recruits with the skills they need; for employees, as for professional bodies, there is an interest in managing entry into different occupations to avoid an excessive number of people looking for jobs, on the one hand, and to maintain standards, on the other.

This interest extends to organising training courses in particular areas, though this is more the case in relation to continuing than for initial training and, most directly in the case of employers, to participating in apprenticeship and similar schemes to provide young people with work experience and practical tuition in the workplace.

In a number of Member States, such as the Nordic countries, there is a long tradition of social partner involvement in the provision of training and, in recent years, there has been a tendency for such involvement to increase in importance in other parts of the EU. At the same time, individual employers and employees have increasingly been encouraged to accept more responsibility, in the former case, for training their workforce and giving them the opportunity to improve their skills and, in the latter, for learning new techniques and keeping their skills up-to-date. The responsibility for training, in other words, does not solely fall on the provider but also on the recipient.

Accordingly, training has become an increasingly important issue in collective bargaining and is referred to specifically in a growing number of agreements between the social partners. In Belgium, for example, a system has existed for some years under which the social partners are responsible for allocating funds set aside from employers' contributions for the training of workers in particular sectors. In Greece, the social partners have even taken the lead in establishing a fund for continuing training, financed from levies on companies, with limited involvement of government, which emphasises the mutual interest there is in ensuring adequate provision of training.

However, involvement of the social partners is made difficult in some countries. In a number of Member States, though by no means all, the sectors in which employment is growing most rapidly are in many cases those in which trade unions and even employers' associations are relatively weak. In these sectors, the social partners are, accordingly, less in a position to have accurate information about skill requirements. This partly reflects the structural shifts in economic activity which have seen traditional manufacturing industries decline and service sectors, in which workers are often much more dispersed and less cohesive, expand.

The trend towards decentralisation

Since skill requirements vary between areas according to the structure of the local economy and the level and nature of the expertise of the local workforce, there is a strong case for decentralising decision-making over the content of vocational training courses to reflect more closely local labour market needs. The case is reinforced by the likelihood that areas will develop differently and be affected in different ways by general economic and technological developments.

In practice, in most Member States, while responsibility for the implementation of policy on vocational training is devolved to regional and local authorities or to the governing bodies of individual institutions, the formulation of policy, or at least the broad guidelines, is decided centrally. In some of the larger EU countries, however, regional and local authorities have large discretion over the policy followed in respect of upper secondary level education as regards the courses taught and their content, though central government usually has some influence and standards tend to be centrally fixed and monitored (see Box). Nevertheless, as part of the common trend towards decentralisation, and perhaps in response to the regionally-differentiated nature of structural change, there has been a widespread trend to give more autonomy to regional and local levels and, in some cases, to individual universities and vocational training institutes.

At the same time, there has been a strengthening of national qualification standards to provide a common framework within which regional or local providers of vocational education and training have to operate. As discussed below, such standards are an essential aspect of ensuring not only that people trained acquire an appropriate level of skills for the occupation they wish to follow but that this is commonly recognised across the country.

Although decentralisation of decision-making on the vocational training courses provided may make these

Decentralisation of vocational education and training provision

Regional and/or local authorities are involved to a greater or lesser extent in the provision of initial vocational education and training in most parts of the EU as well as in active labour market programmes. In both Germany and Austria, the Länder are responsible for vocational education, in conjunction, in the case of the dual system, with the Federal government and enterprises.

Similarly, in both France and Italy, responsibility for vocational education lies with regional authorities. In France, places are only created in the recently-introduced *baccalauréat professionel* if demand for the skills in question exist in the region concerned. As part of the 1999 white paper on the reform of vocational training, it was proposed to establish 30 regional coordinators to encourage cooperation between the education system and local employers. In addition, an 'engineers for schools' programme was introduced in 1998, making 60 (80 in 1999) engineers and managers of large companies available to heads of regional education authorities to strengthen the links between the education system and business and developing partnership for combined job/training.

In Spain, there have been moves in recent years to increase the involvement of regional authorities in vocational training policy as well as in retraining programmes and the management of specialist vocational schools.

In the UK, responsibility for upper secondary-level education and training is devolved to the constituent countries and the system in Scotland, in particular, is different from that in England. National vocational qualifications (in Scotland, Scottish vocational qualifications) have been introduced in recent years and national training organisations have been established to set common standards of training in different sectors of activity and for different occupations across the country.

In the Netherlands, regional training centres (ROCs) — 50 by 1998 — have recently been set up under the Adult and Vocational Education Act, to implement policy at local level and, by 2000, to take responsibility for the 500 or so secondary vocational education schools and adult education institutes. At the same time, under the Act, national bodies for vocational training and education, organised by sector, have been given responsibility for establishing a national qualifications' structure in the various sectors and for monitoring standards.

A similar system exists in Denmark. Here, as well as in Finland and Sweden, while training policy and overall objectives are decided at national level, regional or local bodies are responsible for implementing policy and for the actual provision of training. In both Denmark and Sweden, regional councils, made up of representatives from the social partners and local education institutions, have recently been set up to adapt training programmes to local labour market needs.

In Portugal, the determination of training policy is also centralised, though it is implemented through a regional network of training centres and regional consultative councils have a voice in the formulation of policy.

Labour market programmes

Decentralisation of labour market programmes has meant devolution of responsibility for deciding the content of these to regional and local labour offices in many Member States, not only in countries with federal systems, such as Germany, Austria and Belgium, but also elsewhere. This has been the case even in Ireland, despite its small size, where the 10 regional FAS offices are able to tailor training programmes to local needs, with the social partners being involved in an advisory capacity. In addition, area-based partnerships were established in 1991 to provide facilities, technical expertise and training for job projects in 12 areas of high unemployment and these have since been increased, to 38 in 1997, 11 of them in Dublin.

Decentralisation has extended to Greece, where the problem of deficiencies in the local capacity to organise training programmes effectively has been tackled by OAED through the establishment of regional offices to take account of local needs and consult with local businesses and trade unions about these, but which are then required to send specific proposals about programmes to the central office for consideration. Here they are assessed by a tripartite council and decisions are relayed back to regional offices, detailing the specialisations to be taught and the number of apprentices to be taken on.

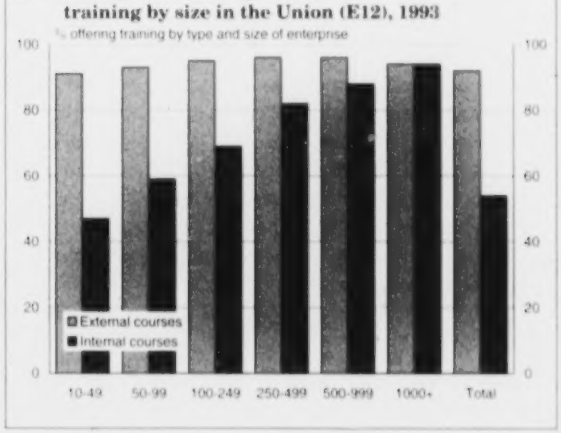
Examples of the development of private training providers

In France, where the private provision of training seems to have developed further than elsewhere in the EU (according to the CVTS, in 1993, they accounted for some 60% of the training provided externally to enterprises), there were 35 300 specialist private firms providing training at the end of 1994. Most of these, however, were extremely small, only 5 800 having a turnover of over EUR 150 000. These accounted for 85% of the total market, and the government, through its policy on funding, is actively encouraging mergers to reduce the number of independent entities.

In Norway, the private consultancy and advisory sector has grown rapidly in recent years in most sectors of the economy, most training being provided to SMEs. In 1996 almost 950 consultancies were registered, almost half of them in Oslo, employing some 8 600 people and with a customer base of 94 000.

more responsive to local demand for particular skills, it also carries the attendant danger that too much emphasis is placed on meeting current needs and not enough on those which might arise in the future. This is a particular risk in less developed areas where the emphasis may be on the skills required by traditional industries, liable to decline over the long term, rather than on those likely to be demanded by new industries or services. A parallel risk is that young people taught and trained with local labour market needs in mind may be put at a disadvantage if they move elsewhere.

20 Enterprises offering internal and external training by size in the Union (E12), 1993



To avoid these risks, it is important for policy implemented at local level not only to comply with national standards, but to be both forward and outward looking. This implies the establishment of an effective structure, involving the close cooperation of the social partners, vocational training providers and local or regional authorities, which provides the means of monitoring both current and prospective economic developments and new vocational opportunities and of determining the courses which should be made available.

The decentralisation of upper secondary level education and vocational training has been accompanied, in a number of countries, by the devolution of responsibility for labour market measures, many of which involve training, to local or regional employment services, which, in many cases, cooperate closely with the social partners in determining the programmes to be provided. This, however, is conditional upon the necessary institutional structure and know-how being in place to ensure that vocational training is effectively directed and resources are efficiently allocated. In some parts of the EU, such as Greece, this is still being developed.

Private training providers

Private providers accounted, on average, for almost half of the continuing vocational training provided by enterprises to their employees from external sources in the EU in 1993, and for around 60% in France, while non-profit-making organisations accounted for some 13%, though for over 30% in Germany and over 20% in Denmark, Ireland and the Netherlands (see Box for details of the development of private providers in France and Norway).

The emergence and growth of private providers and the development of a market in vocational training supply are a reflection of an increasing need among businesses for the provision of specialist training outside the company. This reflects both the inability of companies, especially small and medium-sized ones, to provide adequate vocational training from their own resources, and the growing and diverse range of areas in which vocational training is required. To a large degree, the growth of private vocational training provision is a consequence of the quickening pace of technological advance and the spread of new technology to most areas of economic activity, spawning new and more efficient ways of doing things which

individual companies, even very large ones, have difficulty keeping up with.

As such, the growth of private vocational training providers represents an important means by which employers can ensure that the skills of their workforce and their methods of working are kept up-to-date so that they can remain competitive. It is also a means by which small companies, which are particularly prevalent in markets opened up by new technology, can compete effectively with larger firms.

Despite their potentially greater ability to provide vocational training internally, virtually all large companies in the EU offer employees the possibility of going on external courses (Graph 20). Indeed, they are more likely to provide this opportunity than smaller ones, even though the latter are less able to offer suitable training internally (see Chapter 5, Graph 38). A higher proportion of the workforce are, therefore, likely to be able to take advantage of this opportunity in larger enterprises than in smaller ones (Graph 21).

In some countries, there have been attempts to regulate the provision of vocational training by private specialist companies, such as by requiring instructors to have a minimum level of qualifications, though this is often left to trade associations or professional bodies to manage.

Universities and other further and higher education institutes have become increasingly involved in continuing vocational training by providing special courses at differing levels, which in some way is an extension of the adult education evening classes which have a long history in many Member States. Courses organised by universities and colleges, however, accounted for only around 16% of the total amount of continuing training provided externally to companies in 1993, though the proportion varied from 5% or less in Portugal, Italy, Luxembourg and Greece to 30% in the UK and around 20% in Belgium and the Netherlands (Graph 22).

Promoting investment in vocational training

Member States are, or have been, reconsidering their approach to financing vocational training. This has been done in the light of increasing budgetary constraints, a growing political emphasis on lifelong learning and the aim of enhancing employability. The following trends can be identified:

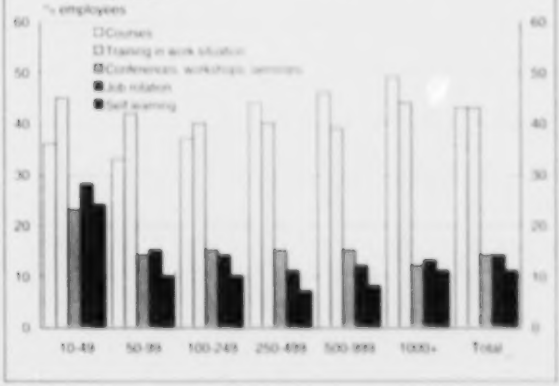
(a) increasing interdepartmental cooperation over vocational training at national government/ministry levels;

(b) consolidating provision through legislative frameworks rather than central government regulation;

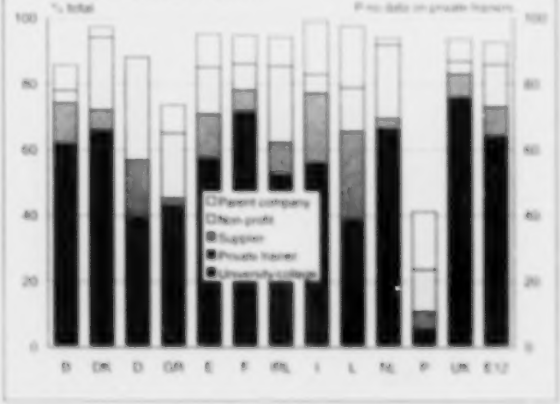
(c) devolving power for allocating resources from central to regional, local (municipal) or even individual institutional levels to increase provider responsiveness;

(d) encouraging public/private partnership arrangements in relation to both capital and recurrent funding;

21 Employee participation in training in enterprises offering training by size and type in the Union (E12), 1993



22 External training by type of training provider in Member States, 1993



(e) introducing the 'purchaser/provider' concept into the provision of vocational training and thus an element of competition between public and private providers;

(e) encouraging the greater involvement of the social partners and the inclusion of training provisions in collective agreements;

(f) careful targeting of government subsidies to vocational training providers, enterprises and individuals to stimulate private investment, to avoid 'deadweight' loss and ensure equity;

(g) introducing new types of funding mechanisms designed to encourage economic 'rationality' in providers and, in some cases, a focus on what happens to participants after they have been trained.

However, while these broad trends are apparent, their implementation depends on vocational training systems and the relative balance of responsibilities between national, regional and local governments, national and sectoral social partners, enterprises and individuals (Cedefop, 2000).

In most Member States, investment in continuing vocational training is financed predominantly by employers, who are accordingly responsible for the content of what is provided. (In Austria, for example, companies bear all the costs in 80% of cases and over 90% of costs in a further 13%, though employees meet the cost in 26% of training courses they undertake. Although no comparable data are available for most other EU countries, the indications are that the broad breakdown of costs is similar elsewhere.) Overall, according to the 1993 CVTS, continuing vocational training costs to companies accounted for just over 1½% of total labour costs in 1993, though the proportion varied from under 1% in Portugal, Italy and Spain and just over 1% in Greece, to 2% in France and over 2½% in the UK (Graph 19).

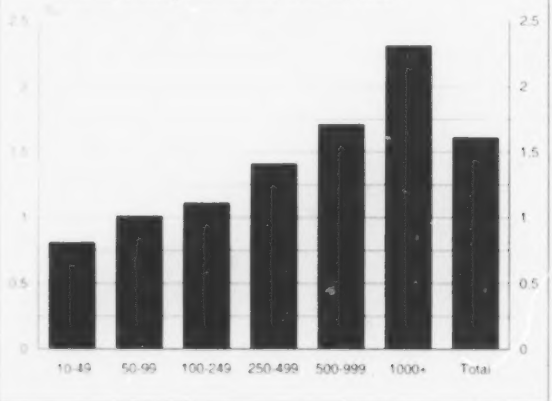
On average, the amount spent on vocational training in relation to labour costs seems to increase in relation to the size of the enterprise. Even though smaller firms tend to rely more on external training providers, this is offset by the smaller number of small companies providing any kind of continuing training at all and by the fewer workers involved. While training costs per worker in 1993 amounted to just under 2½% of labour costs for large firms with 1 000 or more employees and for well over 1½% of labour costs for firms with 500 to 999 employees, they amounted to only 1% of labour costs for medium-sized firms with 50 to 99 employees and to well under 1% for small firms with less than 50 (Graph 23).

Government direct involvement in continuing training tends to be concentrated on the disadvantaged in the labour market or on those who are in danger of losing their jobs. Expenditure on continuing vocational training, moreover, is partly financed from the European Social Fund (ESF) and, in some countries, especially southern Member States and Ireland, from the European Regional Development Fund (ERDF). (In Ireland, for example, total expenditure on vocational training in 1998 was estimated at ECU 1 275 million of which almost a third, around ECU 412 million, came from the ESF and additional amounts from the ERDF.)

Despite their limited direct involvement in continuing vocational training, governments in most countries recognise its importance and, to varying degrees, encourage its provision, or attempt to facilitate access to it. This most generally takes the form of exhortation and allowing businesses, and in some cases individuals, to set the cost of the investment against tax in the year when it is incurred (instead of requiring that it is spread over a number of years as in the case of investment in fixed assets). In a number of countries, there are stronger mechanisms to encourage investment in vocational training (see Box).

Some Member States have created funds, financed by levies on businesses, especially for vocational

23 Training costs as proportion of labour costs by size of enterprise in the Union, 1993



Mechanisms to encourage investment in vocational training

A number of Member States provide a range of incentives to encourage investment in vocational training. In Austria, for example, a tax-free allowance of just under EUR 1 500 is available to employers for providing training places for apprentices. In Luxembourg, companies are encouraged to take on apprentices through grants and relief from social contributions and receive special subsidies if there is an excess demand for the trade in which they are providing training. Similarly, in Italy, apprenticeships and the recruitment of workers on training contracts entitle employers to a reduction in social contributions.

In Spain, tax incentives were introduced, under the 1998 national vocational training programme, to encourage employers to make more use of 'job training contracts' (which stipulate that at least 15% of working time has to be devoted to theoretical training) and to convert these into permanent jobs. New incentives were introduced in 1999 to stimulate investment in human capital, by exempting the costs of training incurred by employees from income tax and allowing companies to deduct training expenses from their corporation tax liability and to receive double relief if training costs are higher than average.

In the Netherlands, fiscal incentives to encourage industrial training were introduced in 1998, with special emphasis on older employees and SMEs. This was extended in 1999 to the non-profit-making sector. Consideration is also being given to introducing incentives to promote training for employees with no initial qualifications.

In Belgium, the aim is to increase investment in lifelong learning to the level in the three neighbouring countries (or by some 0.2% of the wage bill) in the two years 1999 to 2000, in Flanders, through tax reductions for companies investing in the supplementary training of employees, in Wallonia, through a system of training cheques for the self-employed and SMEs, contributing around EUR 15 an hour to training costs.

In Sweden, special grants are available for companies to provide training to their workers to help them adapt to changes in technology.

In the UK, employers' costs of training of participants in the modern apprenticeship scheme, other than on salaries, are covered by government.

The levy approach

The main example of a levy on businesses to fund training is in France, where the system dates back to the early 1970s. The size of the levy has been increased periodically since then and at present it amounts to 1.55% of the wage bill, though for companies with less than 10 employees, it is only 0.15%. The fund so created is managed largely by the social partners. Employers can draw on the fund if they provide training which complies with the criteria agreed. In practice, some two-thirds of continuing training in France, however, is financed by the State, if training targeted at disadvantaged groups through labour market policies is also included as part of this.

Similar levies on businesses, related to the wage bill, also exist in Belgium and Denmark, with a high level of involvement of the social partners, while in Italy, the Government intends to divert 0.3% of the company wage bill over the period 1998 to 2001 into specific funds for vocational training managed by the social partners.

In Ireland, where expenditure on training by firms seems to be lower in relation to payroll than elsewhere, the target is to increase this to 5% of the wage bill by 2000 (which, according to the CVT survey for 1993 would be significantly higher than anywhere else in the EU), partly through an increase in the government contribution to training for the employed from IEP 8.2 million to IEP 16 million (from EUR 11½ million to EUR 22½ million), much of it going to SMEs, as well as by encouraging the establishment of training networks between companies. In 1997, a white paper on human resource development proposed to increase the scale, relevance and quality of training by enterprises through a two-year awareness programme on skills and training needs of businesses and a training network programme to encourage firms to identify and meet common needs jointly. It also proposed encouraging the take-up of training courses by individuals by making fees tax deductible.

In Finland, consideration is being given to allowing companies to create special reserves to fund staff training under corporate tax rules.

In Belgium, there is a provision for paid training leave for workers in SMEs, half the wage being paid by the State. In Portugal, where vocational training in enterprises is not widespread and where few of the SMEs, in which low-skilled workers tend to be concentrated, provide any form of training at all, the ROTACAO

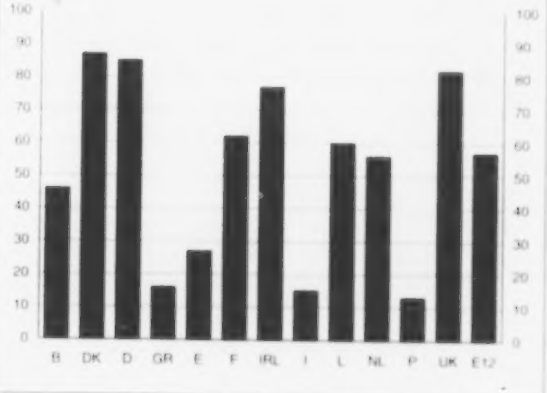
programme was introduced in 1998 on a temporary basis, to exempt firms from social contributions in cases where temporary workers are hired to fill in for permanent staff on training courses.

In Luxembourg, centres of continuing vocational training (CFPC) spend 20% of their time on vocational training of those in employment and 80% on training and retraining of those looking for work, courses generally being shorter for older people than the one to two years for young people preparing for their first job. The content of courses is usually decided with the enterprises involved to increase the chances of people being taken on at the end of the training period.

In Germany, where subsidies are provided to companies to assist their structural adjustment, support was extended from a maximum of three to five years in 1999 and was concentrated in particular on workers likely to have difficulty finding new jobs, especially older workers, and, in addition, with the support of the social partners, companies were encouraged to include more of these in training schemes. Moreover, 160 training-place developers in the new Länder were funded in 1998 by the Federal Government, which increased the finance provided in 1999 and which has also embarked on a scheme to expand the training places provided by foreign employers — to 11 000 in the medium term.

In the UK, there are a few industry training boards which have the statutory power to collect a training levy from firms in their industry.

24 Enterprises offering training in Member States, 1993



training. A levy to fund vocational training generally, or in a particular industry or sector, helps to reduce both the 'free rider' problem (whereby enterprises, instead of investing in vocational training themselves, recruit, or 'poach' workers trained by other enterprises) and the tendency for firms to underinvest in training because they cannot be assured of reaping the returns. Most levies are compulsory, for example, in Belgium, Denmark and France. However, in some countries, funds are set up voluntarily by employers' associations or the social partners to finance training in specific areas without pressure from government, as in Greece and the Netherlands.

There is widespread consideration across the EU of ways to increase investment, in some cases in consultation with the social partners, by providing more financial incentives to businesses or individuals, or both, together with increasing entitlements to study leave or participation in vocational training programmes.

In a number of countries, the debate has focused on the role of regulations and legislation in this area and on the involvement of the social partners cooperating with government to raise the level of training, especially in small firms. This is particularly the case in Germany, where the Social Democrats and trade unions advocate improving individual rights to continuing vocational training and the quality of instruction through general legislation. By contrast, the employers and Christian Democrats argue that because of changing needs, legislation is not feasible. In practice, though employees are entitled to four to five days paid leave a year for training in a number of Länder, only 3% of potential participants actually take advantage of the entitlement, perhaps because they usually have to cover the cost of courses themselves.

On the basis of the data available, which are less than satisfactory, there does not seem to be a close relationship between the extent of government involvement in continuing vocational training and the scale of its provision. In both Ireland and the UK, in particular, where there is comparatively little involvement by government, the proportion of both enterprises providing continuing vocational training and the number of employees in those companies receiving training was significantly higher than the EU average in 1993, according to the CVTS. (Some 77% of enterprises in Ireland provided training to employees and around

Potential benefits from investment in vocational training

Individuals

- More job opportunities
- Higher salary
- Better career prospects
- Lower probability of unemployment
- Increased job satisfaction
- Improved working environment

Enterprises

- Higher productivity
- Increased efficiency
- Higher flexibility
- Retention of work force
- Improved motivation
- Attraction of labour

National level

- Equal access
- Diminished social exclusion
- Increased economic welfare
- Diminished social costs
- Increased tax revenue
- Achievement of adequate skill levels
- Avoidance of free-rider problem

European level

- Convergence of labour markets
- Increased mobility
- Increased cross-border cooperation

82% in the UK (Graph 24) while in both countries, half or more of employees in these companies received training.) On the other hand, in Ireland, the average time spent on training, at only 25 hours a year, was much less than elsewhere in the EU and, as a result, the average cost per employee was well below that in other Member States, while in the UK, the figures were above the EU average.

The lack of an apparent association between government involvement and the scale of continuing vocational training provided in the economy raises an important question about the role of government in relation to market forces in this area. While government has a clear role to play in providing guidance and in establishing a coherent and uniform framework of standards, what is more open to question is how far governments should be more directly involved in the provision of continuing vocational training or helping to finance this. (Given the mutual interest of the social partners and professional associations, even standards are arguably likely to be established without government intervention.)

Sharing the costs and benefits of vocational training

If the benefits of investment in vocational training could be measured and set against the costs, in theory it would be simple to ensure that the right level of investment in vocational training was made by those benefiting. In reality, the nature of vocational training and the relationship between costs and benefits makes it difficult to establish the link.

In the first instance, it is difficult to define vocational training which is a generic term for a number of different formal and non-formal activities taking place in various venues for differing periods of time. Secondly, there are problems of identifying the costs of vocational training which comprise not only the direct costs of the courses, whether provided externally

Measuring the benefits of vocational training

A number of methods have been devised to measure the benefits of vocational training. Some of the principal ones are outlined below.

Cost-benefit analysis

Analysis of direct investment in and returns from such investment in vocational training, to inform decision-makers as to whether investment in vocational training is economically viable or not.

Cost-effectiveness analysis

Cost-effectiveness analysis cannot guide decision-makers prior to investment, but it will, once an investment decision has been taken, inform about how to ensure the highest possible quality can be achieved at the lowest possible price.

Quality assurance (by training providers)

Quality assurance of training provision can be a substitute for cost-benefit and cost-effectiveness analysis, in particular, if a real market for training provision does not exist.

Benchmarking

Benchmarking between comparable enterprises on the level and type of investment in VET may provide information as to how this can contribute to competitiveness.

Human capital reporting

Reporting on human capital can provide financial as well as non-financial information about returns to VET investment.

or internally, but also the indirect costs such as time and salaries. Thirdly, it is difficult to identify the actual as opposed to potential benefits of training (see Box) as most are affected by factors other than the amount of investment made. An increase in enterprise productivity not only depends on the level of vocational training of the workforce, but also on the business cycle, management decisions and organisational strategies. Many benefits are also intangible, such as increased motivation and loyalty and difficult to measure. In addition, vocational training can yield short, intermediate or long-term benefits depending on its aims and the form it takes. While most studies suggest that there is a positive relationship between training and productivity, therefore, the details of this relationship — the extent to which productivity is likely to be increased by any given expansion in the amount of training provided under various circumstances — are inherently difficult to determine.

Nevertheless, it can be argued that employers and individuals are better placed than government to assess the amount and kind of vocational training they should provide or receive and, since they reap the benefits of training, they rather than government should pay the costs. If financial support is needed, because, for example, costs have to be met before returns are realised, then, on this argument, it should be provided in the form of a loan rather than a grant or subsidy. On the other hand, while it is indisputable that employers and individuals benefit from training, there are also major gains to society and the economy (i.e. significant externalities) from having a better educated and trained population.

Although employers might gain from training their staff, they cannot be sure that the people whose skills have been enhanced will remain in their employ until they have realised the return on the cost incurred. This suggests that firms might accordingly underinvest in training in relation to the potential gain to the economy overall and is an argument for the imposition of a common levy to fund training in a particular sector. The difficult question to answer, however, is how much financial support should be provided by government, either directly or indirectly, and how this should be determined. This is particularly relevant in a context where there are likely to be continuing constraints on public expenditure in future years but where the need for continuing expansion of vocational training is widely accepted. Given the difficulties of quantifying the returns to any given investment, many tools have been developed attempting to measure the benefits of vocational training (see Box) and guide investment policies.

Questioning of funding arrangements has been accompanied by a broader consideration of ways in which governments can help to expand education and vocational training other than through simply

subsidising the expenditure involved. These include, in particular, raising the awareness of both employers and individuals about the potential gains from education and training and helping them realise these, as well as the introduction of measures to help them borrow against future returns. The latter is especially relevant given the unequal nature of income distribution and the limited financial reserves of new companies, which mean that some are less able to cover the costs of training than others, irrespective of the scale of the returns which are likely to accrue. This state of affairs has, in the past, been a persuasive argument in favour of government intervention to increase equality of opportunity.

A further step which could be taken to encourage investment in education and training is to treat expenditure from both an economic and accounting perspective as exactly that — as investment rather than as current expenditure. To do so would be in line with one of the five objectives of the European Commission's 1995 white paper, *Teaching and learning: towards a learning society*, namely equalising the treatment of capital and training investment.

Governments could take the lead in this respect by changing the treatment of spending on education and vocational training in the public sector accounts. In all Member States, it is at present included as current expenditure and not as capital investment, even though it is just as likely to yield tangible returns to the economy over a period of time as the construction of physical infrastructure. This is not only a matter of accounting convention or presentation. It has implications for the decision-making process and the amount of investment which actually takes place. In most Member States, the convention has become established that current expenditure should be met out of taxation and that only capital spending justifies borrowing, which given the growing desire to avoid tax increases, has led to tightening constraints on the programmes included in current spending.

Similar arguments apply to the private sector. Although it is easier to identify assets created by expenditure on training than in respect of government education programmes, measurement problems are still acute. In particular, unlike a physical asset which usually has a realisable and identifiable market value, human resources, unless they are professional sportsmen or women, cannot in most cases be bought and sold. Nevertheless, despite such problems (which are not unique to human resources — there are also physical assets which cannot easily be marketed), it is generally accepted that there are positive returns to training and that businesses with more skilled and better qualified workforces in a given sector are likely to be more profitable than others. As such, expenditure on training is as much an investment as other kinds and should arguably be so treated in company accounts (though for consistency hiring someone trained elsewhere should also add to a company's assets, while the loss of a skilled worker should lead to a deduction). By swelling the balance sheet and the company's worth, this would increase the incentive for businesses to train their workforces.

In practice, there appear to be no technical obstacles to companies drawing up a shadow set of accounts with training included as an investment and treated as adding to their assets. Moreover, international accounting standards, encouraged in part by the OECD which has undertaken a number of studies on this, seem to be moving towards a more rational treatment of this aspect of company behaviour (Guerrero, 1998).

Concluding remarks

A key policy concern throughout the EU over recent years has been to increase the educational attainment level of the workforce, in part to keep pace with structural changes in the economies of Member States, which appear to demand more highly skilled labour.

Governments have increased expenditure on education and vocational training beyond basic schooling and have encouraged young people to obtain upper secondary and tertiary level qualifications. At the same time, they have sought to improve the content of vocational training to equip people more effectively to adapt to change. In addition, they have attempted to increase the relevance of what is taught by decentralising decisions on courses and their content to regional and local levels better to reflect labour market needs and by formulating and implementing policy in close cooperation with the social partners. Equally, governments have stressed the importance of continuing vocational training for individuals and the potential benefits for people improving their skills and know-how. Accordingly, they have attempted to raise both the supply of training and the demand for it.

Increasingly, the role of the initial education system is becoming that of providing the general skills, attributes or competencies which are a necessary basis for individuals to be able to acquire the specialised knowledge and techniques needed for them to pursue a given vocation. Since there is a significant likelihood that many people will have to change their job during their working careers because of the pace of technological change and the shifts in the pattern of economic activity, it is becoming increasingly important for the education and initial vocational training system to teach a broad range of skills. The question of how far governments should be involved in this, however, is a very real one, especially since it has important implications for the career prospects and life chances of individuals forced to change jobs.

It cannot be overlooked that individuals gain from education and vocational training in terms of improving their access to jobs and a high level of earnings, and enterprises gain from having a better educated workforce. This raises the question of their contribution to financing the expenditure in relation to government involvement.

Given the constraints which exist on expanding public expenditure, there has been a growing focus in Member States on improving the effectiveness of spending on education and training, on trying to ensure that committed resources are used to best advantage. This has led to a concern to improve coordination between schools or colleges and employers, to increase the extent to which what is taught matches the demands of the local labour market and to make the way that it is taught more relevant and more directly applicable to the jobs on offer.

A number of consequences have stemmed from this. Firstly, the social partners have become increasingly involved in both the direct provision of initial training and the determination of policy in this area. Secondly, there has been progressively greater devolution of responsibility to regional and local levels for both implementing policy and determining the detail of what is taught, so that labour market needs can be taken into account to a greater extent. Finally, increased efforts have been devoted to forecasting the future demand for skills and identifying the vocations for which demand is likely to increase.

Continuing vocational training has also expanded as technological advance and structural change have required the skills of the workforce to be updated. Although employers have taken the lead in this, driven by the need to adapt to new methods of working and to new market opportunities to remain competitive and increase profitability, they have been encouraged by governments, mostly through exhortation but also by fiscal incentives and legislative changes.

However, these developments have made continuing vocational training a key condition in many cases for career progression and for individuals to improve their life chances. This, together with the tendency of firms to underinvest in training because of the free-rider problem, in addition to the link between continuing vocational training and economic development, raises an important question concerning the role of government in this area. This role might include responsibility for promoting and financing continuing vocational training as well as influencing the form vocational training takes and the skills which are taught, if only to correct the tendency for market forces to neglect longer-term considerations in favour of short-term priorities. Any move in this direction, however, has also to take account of the more direct interests of enterprises and individuals and their greater awareness of their own vocational training needs.

It is frequently questioned whether governments are better placed than the market, or the social partners, to assess the direction of economic development and, accordingly, the future pattern of demand for labour skills. To pose the question in this way, however, is to restrict the options artificially. In practice, the question is not whether decisions concerning initial and continuing vocational training should be left to the market or government, but how governments can work with the market, with the social partners and with educators and trainers in common pursuit of social objectives and longer-term economic aims.

Chapter 4: To improve initial and continuing training in order to facilitate vocational integration and reintegration on to the labour market

Introduction

There has been a longstanding role for vocational training in helping people to integrate and reintegrate into the labour market — the second of the aims listed for vocational training policy at European level in the Amsterdam Treaty. A significant feature of policy development over the years has been the use of vocational training measures to help specific groups particularly hard hit by unemployment to enter, or get back into, the labour market.

As outlined in Chapter 1, people with disabilities were the first group to be targeted to receive support through vocational training to overcome problems faced in the labour market, in 1974, closely followed by young people in 1976. Both people with disabilities and young people continued to receive support in the 1980s through the vocational training action programmes, Helios and Petra. Even when the action programmes were combined into the Leonardo da Vinci programmes, help for people with disabilities and young people still featured prominently.

However, persistently high levels of unemployment have widened the target groups to receive special help through vocational training. These special groups include long-term unemployed people and ethnic minorities. In effect, the need to help all of those at a disadvantage in the labour market is a theme that runs through all the measures in the Leonardo da Vinci II programme as well as those supported by the ESF.

In parallel, vocational training has become an important tool to promote equality of opportunity between women and men. In the 1970s, the value of education and vocational training was recognised both in changing attitudes towards the participation of women in the workforce and providing them with the skills to take opportunities when they arose.

All of these groups have also been deeply affected by demographic changes.

Demographic trends in the EU, as described earlier, have important implications for vocational training policy. These trends are set to result in a decline in working-age population in Member States from around 2010 on. In consequence, they put increasing onus on supporting the upward trend in participation of women in the workforce and ensuring that women have both equal access to initial training when they are young and to continuing vocational training to update and upgrade their skills when they return to the labour market after interrupting their working careers. Demographic trends also increase the importance of reversing the trend towards early retirement and trying to ensure older workers obtain continuing training — or retraining — to enable them to remain in employment or find a new job should they lose their existing one. In addition, given the decline in their number, they make it more important to avoid young people dropping out of the education and initial vocational training system before they acquire the vocational qualifications they need to enter the labour market and, if they do drop out, to implement measures which enable them to re-enter the system or which give them at least a minimal level of skills. Because of demographic trends as well as for social reasons, there is a growing need to ensure that people with disabilities who are capable of working and other people who are, at present, not economically active, have the opportunity to find a job and, consequently, have access to the vocational training they need to make this a realistic possibility.

This chapter considers the policies being pursued across the EU in respect of each of these objectives. Some examples of particular initiatives are given, some of which are funded by the European Social Fund (ESF).

The chapter goes on to look at the measures being taken in Member States to improve the quality of

teaching, which involves making sure that trainers themselves are properly trained in terms of both the content of their courses and their style of delivery. This has also been a continuing aim of vocational training policy at European level. In fact, many of the cooperative initiatives in the area of vocational training such as pilot projects, networks and exchanges of people and experience have sought to encourage the spread of good practice and improve the quality of vocational training delivered.

Quality remains an issue of fundamental importance as it can have a major effect on dissuading young people from leaving school or college prematurely, as well as making it more likely that the knowledge and skills they are taught serve as a good basis for whatever vocation they wish to pursue. It is equally important in respect of continuing vocational training, the quality of which is likely to have a major effect on the ability of people to return to the workforce as well as the capacity of enterprises to maintain their competitiveness.

First, however, the chapter examines the growth in education attainment levels in relation to the sectoral shifts in economic activity occurring and accompanied by an equally important shift towards more skilled jobs, which are more demanding in terms of technical know-how and intellectual ability.

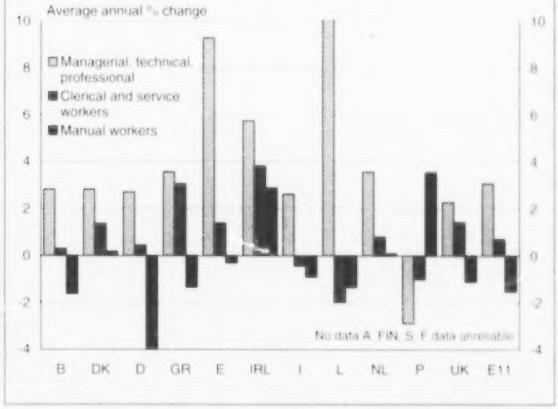
Education attainment levels and the relative growth of skilled jobs

The shift in economic activity to services, and to business and communal services in particular, has been associated with increased demand for workers with relatively high educational attainment levels. In 1997, just over 28% of those employed in services in the EU had a university degree or equivalent, compared to only 15% working in industry and just 6% in agriculture.

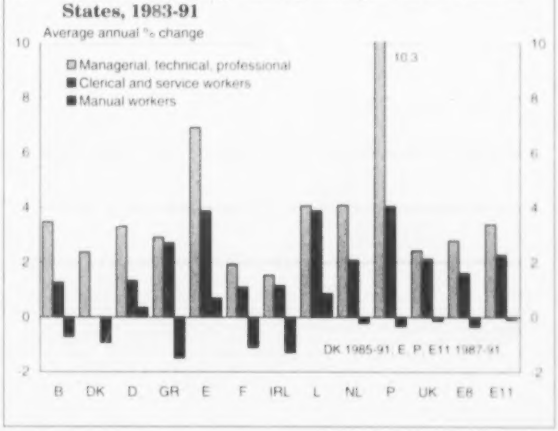
In the main growth sectors, business and communal services, 36% to 38% of the people employed had university-level qualifications and less than a quarter had only basic schooling. Economic development in the EU, therefore, is leading to a shift towards service sector jobs employing people with high levels of education. The scale of this change has important implications for systems of education and vocational training and for young people deciding on the education path to follow.

The growth in demand for workers with high education levels, however, is not confined to more advanced services but is true of all sectors. Even in declining activities, there has been a shift towards higher skilled jobs and away from manual jobs, particularly less skilled ones. Since the early 1980s, employment of managers, professionals and technicians in the EU has risen significantly and continuously, even during periods of economic recession (by over 2½% a year), while employment of manual workers, both skilled and unskilled, has declined markedly (Graphs 25 and 26). Over the 1980s, despite an overall increase in jobs, employment of the latter fell on average by around ½% a year. During the early 1990s, job losses suffered in the downturn in economic activity were disproportionately among manual workers. Their employment has continued to fall during the subsequent recovery. Between 1992 and 1998, the number of people in unskilled manual jobs in the EU declined by

25 Growth in employment by occupation in Member States, 1992-98


Average annual % change
Managerial, technical, professional
Clerical and service workers
Manual workers
No data A, FIN, S, F data unreliable
B DK D GR E IRL I L NL P UK E11

26 Growth in employment by occupation in Member States, 1983-91


Average annual % change
Managerial, technical, professional
Clerical and service workers
Manual workers
10.3
DK 1985-91, E, P, E11 1987-91
B DK D GR E F IRL L NL P UK E8 E11

almost 18%, just under 3% a year, while the number in skilled manual jobs fell by 5%, just under 1% a year.

Although these changes are common to all Member States (with the possible exception of Portugal, where there are doubts about the consistency of data over time), there remain significant differences in the prevailing structure of jobs across the EU. This reflects differences in the structure of economic activity. The number of manual jobs in Greece and Spain accounted for just over 47% of the total in 1998 and in Portugal for 52% as compared with an EU average of 36% and a figure in Sweden and the UK of around 30%.

This shift from lower skilled towards higher skilled occupations highlights the growing demand for a well educated and trained workforce. This is not to say that low-skilled jobs will not be created in future years or that people with low levels of education will not be able to find work. There has been an expansion of relatively low-skilled non-manual jobs in the EU over the past two decades, for example, for shop assistants and waiters, which has accompanied the growth of higher skilled jobs. This expansion has been relatively large in countries enjoying a high rate of overall employment growth, including the United States and the Netherlands. A significant proportion of these jobs, however, have been part-time.

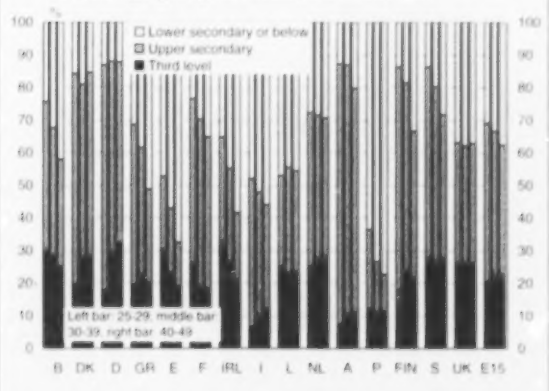
What is clear is that the growth of jobs demanding relatively high education attainment levels will greatly exceed that of low-skilled jobs in future years, and more highly qualified people will have better employment prospects. They are also likely to continue to earn significantly higher salaries than less well-educated people.

Growth of educational attainment levels across the EU

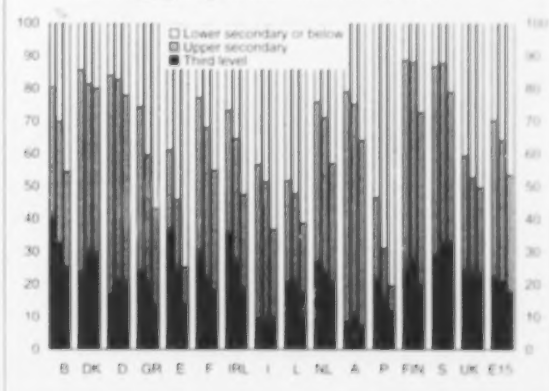
Matching the sectoral and occupational shifts in employment, education levels throughout the EU have progressively increased. Although there is no consistent set of data on levels at different points in time, the rise is evident from a comparison of the educational qualifications of people in different age groups. For men, the increase seems to have been gradual and has taken the form predominantly of a growth in the relative number with upper secondary level education, both general and vocational (it is not possible to distinguish between the two on a comparable basis across the EU). Whereas almost 38% of men aged 40 to 49 in the EU in 1997 (the last year for which data are available) had no education or vocational training beyond compulsory schooling, the figure for those aged 25 to 29 was only 31%. The proportion with tertiary education, however, was much the same for the two age groups at just over 20% (Graph 27). The relatively low figure for those aged 25 to 29 with tertiary education may be due to some men in this age group in a number of countries not yet having completed their education, especially in Denmark, Germany and Austria, where university courses are of longer duration than elsewhere.

For women, the increase in education levels has been larger and more general over the past 20 years. More women in younger age groups have both upper secondary and tertiary qualifications than those in older age groups. Whereas just over 17½% of 40 to 49

27 Educational attainment of men aged 25-49 by broad age group in Member States, 1997


%
Lower secondary or below
Upper secondary
Third level
Left bar: 25-29, middle bar: 30-39, right bar: 40-49
B DK D GR E F IRL I L NL A P FIN S UK E15

28 Educational attainment of women aged 25-49 by broad age group in Member States, 1997



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year-old women in the EU had tertiary level education in 1997, the figure for 25 to 29 year-olds was 22½% (Graph 28). The proportion with upper secondary level education was 36½% for those in their 40s and almost 48% for those in their late 20s. In consequence, only 30% of women aged 25 to 29 had no education beyond compulsory schooling, while the figure for those in their 40s was 47%.

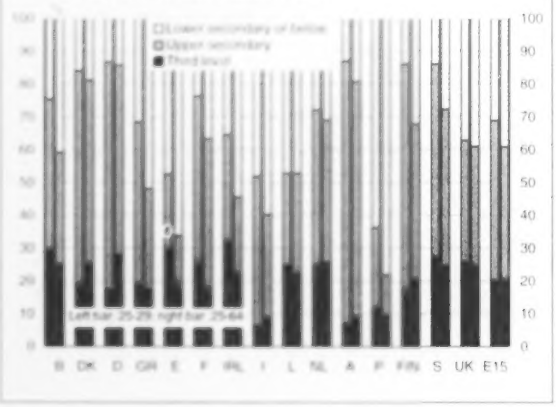
The increase in educational levels of men over the past 20 years or so has not, however, been general to all Member States. In particular, there is little sign of any significant change in Denmark, Germany, the Netherlands and the UK, in all of which the proportion of men aged 25 to 29 with only basic schooling was much the same as for those in their 40s. In Denmark and Germany, this may reflect their already longstanding high levels of participation in education and vocational training beyond compulsory schooling. In Denmark, only 15% of men aged 40 to 49 had only basic schooling in 1997 and just 12% in Germany, much less than anywhere else in the EU. In the UK, participation in upper secondary and tertiary education, which seems some 20 years ago to have been similar to the EU average, has fallen well behind other Member States over this period. (The proportion of those in their 40s with no qualifications was much the same in 1997 as the EU average but for those in their late 20s, much higher.) In most other Member States which had a relatively large number of men with only basic education, the proportion with no qualifications beyond basic schooling has declined markedly over the past 20 years, especially in Greece, Spain and Ireland.

In the case of women, there is evidence of an increase in education attainment levels in all Member States over the 1980s and 1990s, though less in Denmark, Germany and Sweden, where levels were already higher than elsewhere. The rise, as for men, has also been less in the UK, where the proportion of women aged 40 to 49 with only basic education is higher than the EU average and the proportion of 25 to 29 year-olds higher still. Again the increase in education attainment levels has been particularly large in Greece, Spain, Ireland and Portugal.

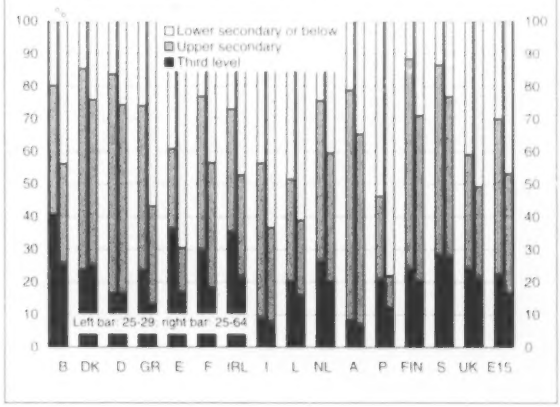
The increase in participation of young people in upper secondary and tertiary education and vocational training in these four countries means that the gap with the rest of the EU in educational attainment levels has narrowed appreciably, especially for those in their 20s. In the case of Greece and Ireland, in particular, the proportion of both men and women aged 25 to 29 with tertiary or upper secondary level education was not much different in 1997 from the EU average. In Ireland, the proportion with tertiary level was significantly higher (Graphs 29 and 30).

Nevertheless, for people of working age as a whole, the average level of educational attainment was still lower than in the rest of the EU. In Greece and Ireland, over half of men and women aged 25 to 64 (i.e. excluding those under 25 who may still be completing their education or initial vocational training) had no qualifications beyond basic education, while in Spain and Portugal, the proportions were much higher — around two-thirds of both men and women in the former and almost 80% of both in the latter. Similarly, in Italy, where improvement has been less marked than in the other southern Member States, especially for men, around 60% in this age group fell into this category.

29 Educational attainment of men aged 25-29 and 25-64 in Member States, 1997



30 Educational attainment of women aged 25-29 and 25-64 in Member States, 1997



The main shortfall in most of these countries lies in the relatively small number of those aged 25 to 64 who have upper secondary level qualifications — in Spain, it is around 15% and in Portugal, some 10%, as compared with around 40% in the EU as a whole. In Italy, on the other hand, the major difference lies in the small number with tertiary education (only 8½% against an EU average of 18½%) and here there is not much sign of the proportion increasing over time, especially in the case of men. Despite the relatively large proportion of young people remaining in education and vocational training well beyond the compulsory school-leaving age, very few seem successfully to complete university-level education. The population in this age group with tertiary education is much lower in Austria than elsewhere (also only 8½% in 1997), but the proportion with upper secondary level is higher than anywhere else in the EU (65%).

Social inclusion

Although all European countries are more prosperous in terms of income per head than ever before, the number of people reliant on social welfare and dependent on the State for support is probably greater than at any time in the past (European Commission, 1998a and European Commission, 2000). In part, this reflects the development of the social protection system and the virtually universal coverage of minimum income guarantee schemes. It also, however, reflects the rise in unemployment and the emergence of long-term unemployment as an endemic problem of European economies.

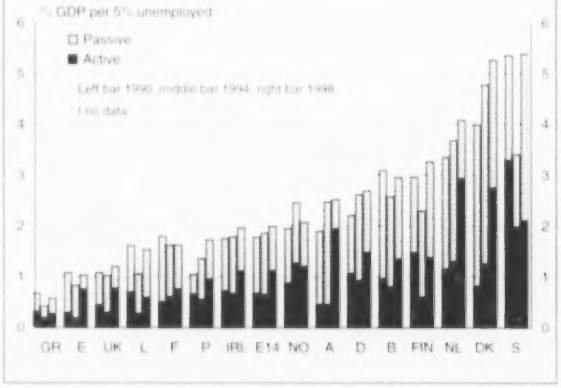
The consequences for public budgets have led governments throughout the EU to give more attention to tackling the problem at source, by trying to reduce the number of young people leaving the education system without adequate qualifications, enabling those who do and have difficulty finding a job to acquire a minimum level of skills and helping older people to return to work. This has led to the emphasis of policy being shifted from income support to active labour market measures, particularly the provision of vocational training, or retraining, aimed at increasing the employability of those who are unemployed and so, supporting their integration into society. The difficulties of achieving such a shift in labour market policy in the context of persistently high unemployment, which ensures that the cost of income support remains high, is illustrated by the failure in most countries to bring about any significant change in the balance of expenditure between the two types of measure in recent years (Graph 31).

Priority assigned to providing access to vocational training for disadvantaged groups in the labour market varies between Member States according to the numbers concerned, the competing demands on public budgets and differing views of the role of public expenditure for this purpose. Paradoxically, less effort tends, in general, to be made in relation to the scale of the problem in countries where unemployment is relatively high than in countries where it is lower, partly because of the larger numbers requiring income support from the public budget. It also tends to be lower in countries where income per head is relatively low because of the more limited resources available to tackle the problem. This is partly compensated in the EU by the operation of the European Social Fund (ESF), and the Structural Funds generally.

Indeed, the EU has played an important role in increasing the provision of vocational training to disadvantaged groups, especially the young, the long-term unemployed and those threatened with job loss because of economic restructuring, particularly through the ESF. This has been particularly the case in the southern Member States as well as in Ireland.

Despite transfers from the Structural Funds, however, less expenditure is incurred on active labour market measures, in relation to the numbers unemployed, in Greece and Spain than elsewhere in the EU. In 1998, expenditure in both countries amounted to only around 0.2% of GDP for each 5% of the labour force

31 Public expenditure on active and passive labour market policies in Member States, 1990, 1994 and 1998



30

unemployed. This compares with 0.6% in the EU as a whole, 1.6% in Denmark and 1.8% in the Netherlands. In the UK, however, reflecting the political emphasis on a market-based approach (for example, encouraging the creation of low-wage jobs through tax credits) and on measures which do not involve large amounts of public expenditure (such as the provision of career advice or help in job search), the level of spending in relation to GDP and unemployment at 0.3% of GDP was similar to Greece and Spain. In Portugal and Ireland, on the other hand, expenditure was above the EU average, funded to a significant extent from EU sources and reflecting, in turn, the importance given to vocational training in these countries.

Young people

In nearly all EU countries, unemployment among young people under 25 is much higher than for those of 25 and over — in the EU as a whole, more than twice as high — reflecting the deficiency of new jobs being created. Nevertheless, the number of people affected has fallen significantly in most countries over the past 10 to 15 years, as more have remained longer in the initial education and vocational training system and special labour market measures have been introduced for those unable to find work. In 1998, just over 9% of those aged 15 to 24 were unemployed in the EU, compared to 12% in 1985. The figures, however, remain high in the south of the EU, in Greece (13%), Spain (14½%) and Italy (12½%).

The trend across the EU, as noted above, is for a declining proportion of young people to enter the labour market without any qualifications beyond basic education, and in a number of Member States, there are only a very small number under the age of 18 not in education or initial vocational training.

Given the opportunities for young people to continue in the education and vocational training system beyond compulsory schooling, those looking for a job and unable to find one tend to be those with learning difficulties or others with social problems who have dropped out of the system without obtaining vocational qualifications. The response across the EU has been to increase vocational guidance in schools and colleges, coupled with the introduction of special training measures for young people (see Box) to give all young people at least some initial vocational training and to offer them the chance of acquiring the qualifications they need to pursue a worthwhile working career. Under the guidelines of the European employment strategy for both 1998 and 1999, Member States have committed themselves to ensuring that all young people leaving the education system have the skills relevant for entering the labour market and the capacity to adapt to technological and economic change. They have also undertaken to offer everyone under the age of 25 either access to training, work experience or a job before they have been unemployed for six months.

The difference in youth unemployment rates across the EU, seems to have as much to do with the level of education of young people entering the job market, as the system in place for easing the transition from school to work. There is a stark contrast between countries, like Germany, Austria and Denmark, where the dual system is entrenched and where there is early contact with employers, who are actively involved in the education of young people, and extensive vocational guidance arrangements, and other countries where young people have less support. In Denmark, for example, a 'bridge-building' programme has been introduced to ease the transition from school to youth education and training, consisting of guidance and some work experience, to give young people more opportunities and greater motivation to go on to vocational training and choose between options. A similar programme has been introduced in Finland on a experimental basis with ESF funding.

In Greece, Spain and Italy, young people making the transition from education to work and trying to find a job, account for a large part of overall unemployment, in terms of the number of people affected and the length of time they remain out of work. This, of course, is not wholly due to inadequate mechanisms to help young people find employment. It is also a consequence of low rates of net job creation.

Nevertheless, the lack of support for young people undoubtedly contributes to the problem and, in particular, to the large number who take a long time to find a job (in Spain, specifically a stable long-term job, since there are many temporary jobs with relatively short fixed-term contracts). A further contributory factor is the significant numbers in Spain and Italy especially who drop out of the education and vocational training system prema-

Special training measures for young people

In all countries, unemployment among young people has been a primary focus of labour market policy for some years and special measures exist across the EU to reduce the numbers affected, many of which include vocational training.

In Austria, 6% of 16 year-olds and 12% of 17 year-olds drop out of the education system after compulsory schooling. Some 16% of 20 to 24 year-olds have no qualifications beyond basic education and the aim is to reduce this in the long term to 10%. To this end, all young people up to age 18 are to be given a chance of retaking the lower secondary leaving certificate if they fail first time. Special training programmes of up to two years are also being developed by the employment services for young people who are difficult to place.

In Denmark, all young people under 25 receiving unemployment insurance benefit, as from October 1998, have both 'a right and a duty' to participate in active labour market programmes before being unemployed for 6 months, these being chosen in line with individual needs. Those who have completed vocational education must primarily be offered jobs with training in public and private enterprises, whereas those without formal qualifications are largely offered education or training for at least 18 months. Currently, around a quarter of young people drop out of vocational training programmes and the same proportion drop out of higher education. The aim is to reduce this to 12% in the case of the former by 2000 and to 17% in the case of the latter by 2005.

In Germany, in 1997, the Federal Employment Office provided vocational training for 100 000 young people and additional funds were allocated to labour offices in 1998 for vocational training programmes, with the Länder also providing support, assisted by the European Social Fund. In January 1999, the emergency programme to reduce youth unemployment was to give 100 000 young people a training place or job during the year and by April, 117 000 had participated, 42% of them women. The main effort for women was concentrated in the new Länder and at foreign immigrants and other disadvantaged people in the labour market. At the same time remedial courses, in the form of pre-work training programmes, have succeeded in reducing the proportion of young people entering work without a suitable qualification when they leave school from 9% to 5-6%, so increasing their chances of being accepted into an apprenticeship. This figure falls to 3–4% by the time people are 27 years old. The aim is to reduce this further.

Around 57 000 young people in France leave school without a qualification. The aim expressed in 1998 was to reduce this to 45 000 by 2001. A new scheme, *Trace*, was introduced in 1997 to provide a pathway into the labour market for young people with family or social difficulties, starting with a skills diagnosis followed by suitable vocational training. In 1998, 10 000 were assisted and it is estimated that a further 40 000 will be helped in 1999, the aim being to increase the number to 60 000 by 2001.

The French scheme has some similarity with the *Youthreach* programme introduced in Ireland in 1989, which provides those leaving school without qualifications with two years of training integrated with work experience. Because of the tightening labour market in Ireland, the scheme was extended to enable participation on a part-time basis with the opportunity of completing the programme in the workplace.

In the UK, the new deal for young people, introduced in April 1998, includes provision for up to 52 weeks full-time education and training for those aged 18 to 24 who have been unemployed for six months. There is also the option of a temporary job in the private or public sector (in voluntary work or in an environmental project). A condition of the latter is that they are released for one day a week for vocational education or training.

In Luxembourg, a preparatory scheme was introduced in 1994 for those not capable of going directly into technical secondary education, with innovative teaching methods geared towards preventing demotivation and withdrawal from the education and vocational training system. The tuition is modular in form so enabling courses to be tailored to individual requirements and to the achievement of concrete objectives within a relatively short period of time. The length of the course is not fixed in advance and people can return to complete their training at a future date if they leave.

In Greece, it is currently planned to expand and modernise the system of counselling and vocational guidance by establishing 200 units in schools and to train 1 500 officers. In addition, 'second opportunity schools' are being established for those over 18 who have not completed compulsory education, in cooperation with local authorities and business.

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In Portugal, the *Education and Training Programme, Programme 15–18* and the *Alternative Curricula* initiatives provide young people dropping out of school with a chance both to finish compulsory schooling and participate in vocational training. Under the National Employment Plan, attempts are made through personal advisers to direct all those under 20 who have not completed basic education and who are enrolled at employment centres towards training or finishing their education.

In Finland, despite the drop-out rate from compulsory schooling being under 5%, efforts are being made to reduce this through youth workshops to encourage those at risk to seek vocational training or apprenticeships. The 350 workshops — around 20% of the costs of which are funded by the ESF — help some 8 000 young people each year.

In Spain, social guarantee programmes have been introduced to encourage young people aged 16 to 21 with little or no education to participate in training or a period of work experience. The training programmes are flexible and range from 900 to 2 000 hours in duration. Some 38 000 are expected to participate in 1999.

Labour market measures for young people in Greece, Spain and Italy

In Greece, 27% of 20 to 27 year-olds were unemployed in 1997, 60% of whom had been looking for a job for a year or more. The main policy measure is the *Young People in Active Life* programme aimed at providing a choice of programmes (vocational training, work experience for 12 to 22 months, a subsidised job or financial assistance for 16 to 30 months for people to set up their own business) before people reach 6 months of unemployment. The intention is for support and vocational guidance tailored to each individual to be provided by a special adviser from the new employment promotion centres (KPAs). These are an upgraded version of the public employment services and there are now 14 in operation, with another 20 planned for 2000. Eventually 54 will cover the country.

In Spain, the intention is to give young people, who have been unemployed for six months or more and who are already receiving formal training, vocational guidance. The remainder will be provided with vocational training courses (FIP) or combined training/work experience programmes (e.g. craft school workshops or linked work and training centres).

In Italy, the focus of labour market policy since 1998 has been on very long-term unemployed young people aged 21 to 32, out of work for at least 2½ years. It was planned to provide training for 100 000 of these over the period 1998 to 1999 through the special programme for work integration, two-thirds of the places will provide work experience, mostly in small companies with fewer than 15 employees. The courses last for one year and are aimed particularly at those with few qualifications and low skills. The social pact for development and employment, signed in 1998 by the government and social partners, became law in 1999 with the aim in part of making it compulsory for all young people aged under 19 to participate in vocational training. The aim is to attract some 300 000 young people aged between 15 and 18 to training courses with government support for apprenticeships amounting to around EUR 100 million in 1999.

turely, even though a high proportion go on from compulsory to further education. In Italy, while 92% of young people register at secondary school, a quarter leave before achieving an upper secondary-level qualification. Moreover, 5% of school-age children do not participate in compulsory schooling. In the south of Italy the figure is as high as 10%. In Greece, Spain and Italy, therefore, labour market measures tend to be focused on young people (see Box) who also account for a high proportion of the long-term unemployed.

Although considerable effort has been devoted across the EU to providing access to training for young people who leave the education and vocational training system without adequate qualifications, the training concerned does not necessarily lead to the formal qualifications they failed to acquire initially. The focus tends to be on provision of vocational training as such rather than on the certificates and diplomas given after completion of courses. In many cases, even when diploma or certificates are awarded, they are seen as inferior to 'mainstream' qualifications. This means that the young people concerned remain at a disadvantage on the labour market, even though they may be better placed than before to get a job.

This problem is being gradually recognised across the Union. In the Netherlands, in particular, in an effort to combat it, the Government and social partners have established a system of national qualifications, which

attempts to integrate vocational training for the unemployed, especially for young people but also for other groups, into the mainstream vocational education system.

Long-term unemployment

Long-term unemployment is a particular problem in Europe. In 1998, almost half the unemployed in the EU had been out of work for a year or more. In Greece and Italy, as noted above, long-term unemployment is particularly prevalent among young people under 25 and over half of those out of work had been looking for a job for at least a year — in Italy almost 65%. In other countries, however, it is much more likely to affect those of 50 and over. In Denmark and Germany, around 40% of the long-term unemployed were aged 50 or over, while in Belgium, Spain, France, Ireland, the Netherlands, Portugal and Finland, over 60% of those unemployed in this age group had been out of work for a year or more in 1996 (over 70% in Belgium and Ireland). Even for those of prime working age, 25 to 49, the figure was over 55% in six Member States (Graph 32). In many countries, these figures have not declined significantly over the past 10 to 15 years.

In all Member States, therefore, because of the seemingly endemic nature of the problem, there is a special focus on long-term unemployment. As a key part of the European employment strategy guidelines agreed in 1998 and updated in 1999, there is a general commitment to offer a vocational training place, work experience or a job to everyone under 25 before they are unemployed for six months and to everyone of 25 and over before they reach 12 months' unemployment. This commitment is a key element of Member State policies for combating long-term unemployment (see Box). At the same time, there is wide recognition that the people concerned need intensive counselling, career guidance and substantial help with job search as well as a place on an active programme, and an increasing number of countries are beginning to offer this, together with an expert adviser to provide personal support for each person.

In most countries, the chances of being long-term unemployed are significantly greater among those with only basic education. The main exceptions are Greece, Spain and Italy, where long-term unemployment is relatively high generally, and Denmark and Sweden where it is markedly lower (Graph 33). These countries apart, disproportionate numbers of the unemployed have low levels of education and vocational training and the main focus of policy has been on trying to rectify this. In some cases, however, because of the low level of educational attainment, this creates difficulties. The differences in the problems faced by Member States can be usefully illustrated by contrasting the problems of unemployment in Ireland and Sweden (see Box).

People with disabilities

Policy developments for people with disabilities (see Box) have seen vocational training programmes used to improve their employability. In some countries these programmes are funded by levies on firms which fail to employ the requisite number of such people, in cases where quotas are imposed (such as in France, for example, where companies with over 20 employees are required to ensure that 6% are people with disabilities). While in a number of countries special programmes exist for people with disabilities, there is a widespread tendency to 'mainstream' policy and to treat them in the same way as others. At the same time, legislation and regulations have been generally introduced to ensure equality of opportunity for people with disabilities. In addition, other action has been taken to enable such people to integrate into society more easily, in the form, for example, of building regulations that make access to work or vocational training institutions easier, so that they are able to pursue tuition courses and take up employment.

Ethnic minorities

Policies to improve employment prospects for ethnic minorities have led to a growth in government-funded training programmes specifically tailored to meet their needs in recognition of the significant levels of unemployment they typically experience (see Box). Although not all countries collect data on a regular basis, in those that do, unemployment tends to be much higher among ethnic minorities than nationals. In the Netherlands, for example, unemployment among ethnic minorities was 20% in 1997. In Sweden, the rate of unemployment of non-Nordics was over 27% in 1998, up from 5% in 1990, while the proportion in employment had fallen from 66% to 39% over the same period. Unemployment among non-Swedish young people is higher than among nationals even if they have a good command of the language and a Swedish education.

Policies to combat long-term unemployment

Throughout the EU, combating long-term unemployment is a major aim of labour market policies. In these policies, vocational training plays a key role.

In Germany, 419 000 of the long-term unemployed participated in active labour market measures in 1998 (around 22% of the total number indicated by the Labour Force Survey). 700 new staff were recruited by the employment services to offer counselling to those who had been unemployed for six months on finding a job or participating in a vocational training course. A number of the measures in operation had only limited success. For example, commissioning third parties to find jobs for the unemployed succeeded in only 1 600 cases during the year, while integration contracts with employers had led to only 2 800 assisted jobs being created for the long-term unemployed by the end of 1998. Nevertheless, under the long-term unemployment programme, some 56 800 people found permanent jobs.

In 1999, a step-by-step, preventative approach was introduced, focusing on problem groups liable to become long-term unemployed before they actually did so. Access to job creation schemes was made easier for those unemployed for six months. At the same time, the obligation on employers to continue employing a person in a subsidised job once the support expired (after 60 months) was scrapped.

In Denmark, it is 'a right and a duty' for the unemployed to participate in an active programme before they have been out of work for 12 months if they are 25 or over (6 months if they are under 25). Before they have been unemployed for three months, every person is interviewed and an individual plan of action is drawn up. Efforts have been made to improve the standard of vocational training programmes, which have become more targeted on labour market needs.

In France, it is estimated that some 15 to 20% of the unemployed receive some form of vocational training. The *Fresh-start* initiative has recently been introduced, aimed in particular at the 40% of the young unemployed who do not find a job within six months and those of 25 and over who do not find a job within 12 months. Some 2 500 new consultants have been employed to provide support and in 1999, there were some 850 000 participating in programmes under the initiative. The present plan is to increase appropriations for employment services by 300% over five years.

In Belgium, those under 25 unemployed for six months are being given individual support, with intensive remedial training for those with poor education, funded by a levy of 0.05% on the wage bill. This is supplemented by *Young Person Traineeships*, under which companies with 50 or more employees are required to take on young people under 30 with less than six months' work experience so that they represent 3% of the total workforce in the private sector and 1% in the public sector.

In Finland, the training guarantee system was introduced in 1997 to provide a vocational training allowance equivalent to unemployment benefit to people out of work who find courses on their own initiative. Originally targeted at the long-term unemployed, it has since been extended to include those unemployed for at least four months but with substantial work experience.

In Ireland, it is recognised that it may take some time to reach the objective specified in the guidelines of the European employment strategy, partly because of the low education and skill levels of many of those concerned. In 1997, only around 11% of the long-term unemployed participated in mainstream training courses because of this. The FAS action plan to tackle the problem began in Autumn 1998 with the aim of increasing the proportion of long-term unemployed in training programmes from 11% to 20%. By the end of the year, the proportion has risen to 16% and 20% was expected to be reached during 1999. The measures introduced to support the plan include added mainstream training places for the long-term unemployed; improved financial incentives for them to take up training; and 4 800 places on the *Back to Education* allowance enabling them to take secondary or tertiary-level full-time or part-time education courses.

In the UK, those unemployed for six months are eligible for a vocational training allowance, equal to unemployment benefit plus a supplement, under the *Work-based Training for Adults* — though its predecessor, *Training for Work*, led to relatively few finding work afterwards or gaining any sort of qualification.

In Spain, the intention is to offer the long-term unemployed of 25 and over with poor qualifications compensatory education to improve their basic knowledge. Similarly, in Portugal, 'second-chance' education is being provided to the long-term unemployed aged 25 to 44 with a lack of basic education.

In Portugal, the *REAGE* programme introduced in 1997 is aimed at getting people who are registered as unemployed and are at risk of becoming long-term unemployed back into work through training or assistance to set up their own businesses.

In Luxembourg, all young people unemployed for three months and older people unemployed for six months will be guaranteed a place on a training course or on a special labour market measures.

In Sweden, the *Liti* project, supported by the ESF, is aimed at raising the skill levels of the very long-term unemployed who had previously worked in manufacturing and to provide the basis for further studies. Of the 170 participants, just under half found work on completing the programme, while a further quarter went on to other training or labour market measures.

There is also an attempt in a number of countries to increase participation of ethnic minorities in mainstream programmes. Nevertheless, there remain wide differences across the EU in the scale of effort devoted to improving their chances on the labour market.

Older workers

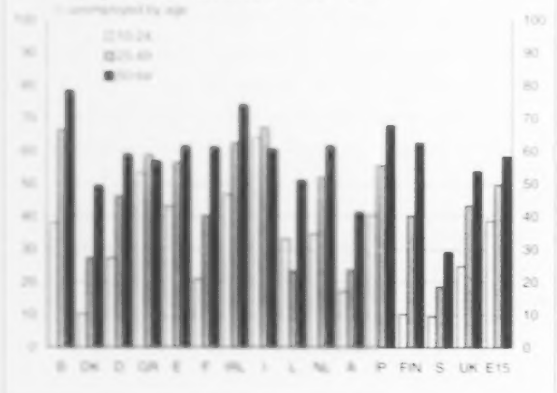
Unemployment, and consequent social exclusion, is a significant problem among older people. Long-term unemployment rates are higher for those aged 50 and over, reflecting a number of factors, including outdated skills and a reluctance to invest in training of older people. Equally, there tends to be widespread

Contrasting problems of unemployment in Ireland and Sweden

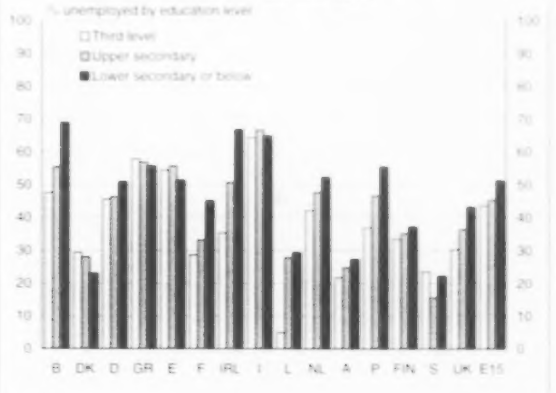
In Ireland, 31 000 unemployed people participated on vocational training courses run by FAS in 1997, but many places are not accessible as a lot of people are not sufficiently well educated to benefit from the tuition given, though it is accepted that there are rigidities in the design of courses which contribute to the problem. FAS has embarked on a policy of extending the range of vocational training schemes available to try to ensure that they meet the needs of the long-term unemployed, including in particular, 'bridging' programmes to help them reach standards for more advanced training.

In Sweden, the focus of labour market policy has recently shifted to the unemployed of 20 and over who have some occupational experience and who possess a relatively good educational background. This reflects the characteristics of the relatively high levels of education of the unemployed in this country. Courses are full-time and last for about 20 weeks. From July 1997 (until 2002), the unemployed can make up deficiencies in their education to upper secondary level under the adult education initiative and receive a special grant equivalent to unemployment benefit while they do so. A special investigation carried by a parliamentary committee found that one year entering the scheme, 40% of participants were in employment, 40% were still studying and 15% had moved on to post-secondary level education. The majority of participants in the programme are women.

32 **Incidence of long-term unemployment by broad age group in Member States, 1996**



33 **Incidence of long-term unemployment by level of education in Member States, 1996**



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Policy developments for people with disabilities

In many Member States, growing attempts have been made to give people with disabilities who are able to do so the chance to work.

In France, companies of over 20 employees have been obliged to ensure that 6% of these are people with disabilities. Apprenticeships for people with disabilities are to be increased, to provide training for 40 000 people each year.

In Ireland, a pilot programme was introduced in 1998 for people with disabilities, with a coordinator in each region to provide one-to-one support to integrate them into employment or vocational training. This was accompanied by the auditing of all training centres to ensure that their accessibility to those with disabilities. Tax allowances have also been introduced for companies employing people with disabilities who had been unemployed for 12 months or more.

At the same time, there has been a shift in emphasis away from special programmes to make it possible for those with disabilities to participate on normal training courses along with other disadvantaged groups. In France, some 60 000 places have been reserved for such people in 'fresh start' programmes and in Finland, 5 000 places are reserved on adult labour market training courses. In Ireland, responsibility for training programmes has recently been switched from the Department of Health to the Department of Enterprise, Trade and Employment.

In Norway, young people with specific needs may be admitted to higher education on special terms and have a right to specially adapted training, including the right to adapted technical equipment, such as the use of wheelchairs or computers. In 1995–96, some 6% of students were admitted on special terms, and since the aim is to integrate these into mainstream education, two-thirds received adapted vocational training within normal classes. Although there is no legal right to higher education, individual institutions are legally obliged to have permanent committees to look into conditions for students with disabilities and to spend 5% of maintenance budgets on measures to facilitate physical access, while government grants are available to allow institutions to meet the costs of extra administration and of providing necessary equipment.

In Finland, recent legislation aimed at increasing cooperation between health, social services, education and labour market authorities, is designed, with the aid of special financial incentives, to enable young people with disabilities to participate in vocational rehabilitation instead of automatically being given a disability pension on reaching the age of 16.

In Spain, the *National Organisation for the Spanish Blind* (ONCE) is committed to creating 20 000 jobs and the training of 40 000 blind and other people with disabilities over the next 10 years.

In Portugal, the *INTEGRAR* programme was introduced in 1997 to enable people with disabilities and at risk of social exclusion to return to education, have access to training or have the chance of becoming self-employed. As part of the initiative, 'Integration Enterprises' were set up in 1998 to assist in delivering vocational training and improving self-esteem among the people taken on.

In Belgium, access to federal labour market programmes has been made easier for people with disabilities, while training measures have been reinforced in both the Flemish and the Walloon regions.

social, and often government, pressure to concentrate redundancies on older workers to keep younger people in work or to free up jobs for them. Over recent years, therefore, there has been a marked trend in most parts of Europe to reduce the effective age of retirement, especially among men. Whereas the official retirement age is 65 in nearly all Member States, the actual age at which men withdraw from the labour market, is now, on average, under 60.

At the same time, there is growing concern about the costs of people retiring early, in terms of the pressure on pension funds and social protection budgets, especially in the context of an ageing population and the prospective large increase in the relative number of people above pensionable age in 10 to 15 years time. This has led to reconsideration of government policy in this area. There are a number of instances of a radical change in policy to reduce or remove the incentive for older workers to retire prematurely, coupled, in some cases, with the introduction of measures to encourage companies to retain older workers in employment. Nevertheless, although the active encouragement of early retirement might have been

Policies to improve employment prospects for ethnic minorities

In Germany, where a disproportionate number of young people leaving the education system without suitable qualifications are from immigrant families or ethnic minorities, special measures have been introduced. In particular, bilateral training projects are in operation for foreign nationals from Spain, Greece, Turkey, Portugal and Italy, which are jointly funded by Germany, the ESF and the country of origin.

In Finland and Sweden, measures have been introduced to guarantee all immigrants tuition as soon as they arrive and vocational training programmes are being developed specifically for them.

In Sweden, a policy has recently been introduced to give immigrants priority in labour market programmes by allocating them a share of places larger than their share in unemployment. In addition, the Swedish Labour Market Board has launched a pilot project on assessing the equivalence of professional and upper secondary level educational qualifications, while special and practical vocational training is offered to those with foreign university degrees to increase their chances of being employed as academics. Employment services are being given more funding specifically to assist immigrants and to increase the number of them on training courses.

In Denmark, special training programmes of one to three years have been developed for bilingual immigrants to provide them with formal vocational qualifications, with the content of the courses and the teaching methods based partly on the experience collected from 80 integration projects. Some 30% of funding for these programmes comes from the ESF. In addition, the social partners have drawn up an action plan for integrating ethnic minorities into the labour market.

In the Netherlands, companies with 35 or more employees are obliged to publish details of how many people from ethnic minorities they employ and of their plans to increase the number if it is lower than the proportion of ethnic minorities in the population. At the same time, a policy has been introduced of ensuring that ethnic minorities have fair access to labour market programmes.

This is also the case in the UK, where programmes are monitored to ensure racial equality and to assist ethnic minorities find work and in Belgium, where the number of non-EU nationals in Brussels receiving training increased from 14% of the total in 1990 to 26% in 1997.

moderated, it is still the case that employers, faced with the need to reduce their workforce, tend to concentrate redundancies on older workers.

There are as yet comparatively few measures for older workers (see Box) in Member States. There are signs of this changing with the commitment under the 1999 employment guidelines for Member States to develop measures to maintain the working capacity of older workers, in part by ensuring that they have access to lifelong learning.

A major problem faced is that a disproportionate number of older workers retiring prematurely tend to be the less skilled with relatively low educational attainment levels. In the EU as a whole, as noted in Chapter 2, well over half of men aged 55 to 64 with no qualifications beyond basic education are no longer economically active as against only a third of those with university-level education. For women in the same age group, 80% of those with only basic education are not economically active, while 50% of those with a university degree or equivalent are still in the workforce. Moreover, in a number of countries, especially the less developed ones, a significant proportion of those with low education levels work in agriculture, a great many being self-employed, which adds to the difficulty of keeping them in employment.

As emphasised above in the case of measures for young people, a major problem with labour market vocational training programmes generally is that, although they may raise the skill levels of those participating, they do not necessarily increase their accredited qualifications. In other words, in comparatively few cases do those completing a vocational training course receive a recognised certificate verifying their achievement which they can present to prospective employers as evidence of their competence. Furthermore, if they do receive a certificate, it is not of the same standing as those awarded after completion of a 'normal' initial vocational training course.

Examples of measures for older workers

In France, an 'active ageing' programme is in place for easing the transition from work to retirement by making it possible for older people to work part-time by providing a partial pension, with companies which lay off older workers being penalised.

In Germany, efforts are being made to involve older workers more in active labour market programmes, as well as encouraging more of them to work part-time. As part of these efforts, the definition of an older worker has been reduced from 55 to 50 and, with the support of the social partners, employers are being encouraged to include more of them in company training schemes.

In Austria, a national target has been set to increase the number of older workers in continuing vocational training, along with women and unskilled workers, with tax concessions for employers who provide training for them.

In Finland, a programme has been launched for the period 1997 to 2001 to train ageing workers and to improve the quality of training provided. The aim is to increase employment levels among older workers and to raise the average retirement age. Similarly, in Denmark, active measures have been strengthened for those aged 50 to 59 and efforts have been made to improve the effectiveness of programmes.

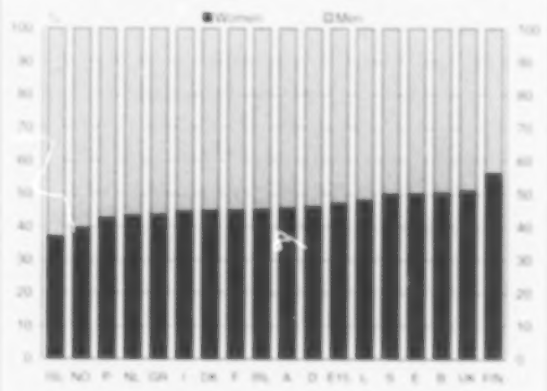
Equal opportunities

Despite their increasing participation in and importance to the EU labour force, women still face particular difficulties in gaining access to vocational training and the job market and in advancing their careers. This partly reflects the problems many women still have in reconciling their professional and family lives. These difficulties are specifically recognised in the employment guidelines and the Member States have sought to improve equality of opportunity (see Box) in a number of different ways. These include measures to ensure that women have access to vocational training courses and other active labour market measures in proportion to their share of employment.

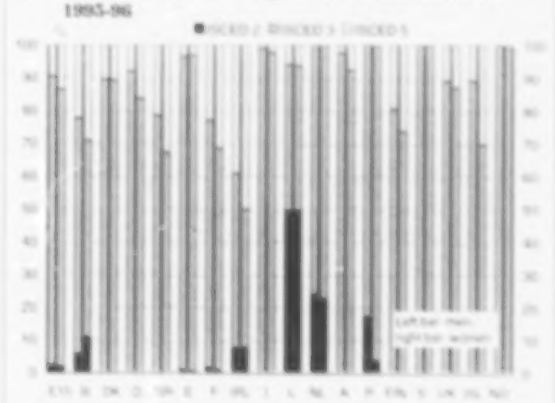
At present, there are fewer women than men in the initial vocational training system. In the EU, women accounted for 47% of participants in 1995–96. Only in Finland, with 56%, do women account for a significantly higher proportion of those enrolled than men. Belgium and the UK are the only other countries where the figure for women was over half (both under 51% in 1995–96) (Graph 34). By contrast, women make up 45% or less participants in the other seven Member States and less than 40% in Norway and Iceland.

At the same time, women tend to be concentrated in comparatively fewer vocational areas, reflecting the sectoral — and, to some degree, occupational — segregation of men and women in employment which is still pronounced across the EU. In Austria and France, for example, only around 30% of apprentices are women (in Germany, the figure is slightly higher at 40%). In Austria, 78% of these apprentices were

34 Gender breakdown of VET participants, 1995-96



33 VET participation by gender and ISCED level, 1995-96



Improving equality of opportunity

Efforts have been made to increase the participation of women in vocational training in many European countries.

In Germany, 12% of finance from the ESF currently goes to programmes undertaken by the Länder specifically for women. In Austria, there is a target of increasing the number of women on labour market training courses to half and a skills' training offensive for those returning to work has been mounted.

In Ireland, there has been a conscious effort over the 1990s to increase the number of women on vocational training courses and the participation of women is being monitored. In 1997, there were twice as many women on FAS vocational training and employment programmes than four years earlier. In Spain, the recently-introduced national action training programme is given priority to programmes for training women for professions in which they are under-represented, as well as in new technologies — to enable women to make greater use of teleworking — and in management skills.

In Sweden, a new programme of technical courses is planned for the year 2000 in upper secondary schools with the specific intention of attracting more women to study technical subjects, while both schools and universities are being urged to increase the number of women studying such subjects. At the same time, they are also being encouraged to increase the number of men in teacher training and health care programmes, where women are over-represented, and to recruit more women as teachers.

In Austria, there is concern that women account for only a relatively small proportion of participants in continuing vocational training, in part because women are generally less qualified with fewer vocational certificates. Counselling and incentive schemes are being introduced to counter this, with the aim of increasing the number of women in technology as well as in craft sectors. In addition, telelearning regional centres are being introduced and distance learning is being encouraged during maternity leave and periods of unemployment, while trainers are being taught to be aware of equal opportunities.

Such policies have been accompanied by measures to increase childcare provision to make it easier for women to participate in training courses and further education. In Austria, it is estimated that there is a shortage of 139 500 childcare places and the aim is to create 18 000 new places in 1999 through federal subsidies to the Länder. In Germany, from 1999, all children of three will be entitled to a nursery school place. In France, more financial aid is being given to women who have difficulty undertaking vocational training courses to fund childcare and provide home help for those with caring responsibilities.

In the Netherlands, childcare facilities for single parents receiving social assistance who embark on vocational training courses has been introduced. This is additional to tax relief for childcare introduced in 1996 and 26 000 extra places for after-school childcare are to be created between 1997 and 2000 along with 1 800 childcare jobs as part of a scheme to help the long-term unemployed back to work. In 1999, EUR 27 million was allocated to pilot schemes in the workplace and at the local level to make it easier for women to combine work with caring responsibilities

In Ireland, it is recognised that provision of affordable childcare represents a fundamental need in order to make it possible for more women to pursue a programme of vocational training and a working career thereafter. At present, while lone parents constitute almost 25% of participants in community employment programmes, very few of them participate in mainstream FAS training. In response, 800 training places are being provided in 1999. Moreover, support is being given to up to 25 community projects for two years and a programme is being introduced to increase employers' interest in the provision of creches.

In Greece, a systematic analysis is planned of the difficulties faced by of women in the labour market, including an evaluation of present policies in cooperation with women's organisations and the social partners, as a necessary prelude to the design of effective policies. In the meantime, women are being given priority in vocational training and other programmes with the aim of bringing their participation up to their share of unemployment (around 60%). In addition, nursery schools and 'creative play centres' for children are being established to provide childcare in a country where traditionally the extended family has been responsible for this, while 'social welfare centres for the care of the elderly' are being developed to support women with caring responsibilities.

concentrated in ten job areas and in France, the proportion of female apprentices fell from 33% in 1992 to 28% in 1997.

Nevertheless, it is worth remembering that although women are concentrated in fewer sectors of activity than men, these sectors tend to be the ones in which employment is growing most rapidly.

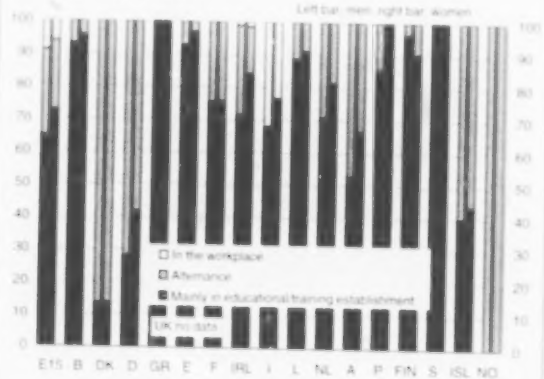
Proportionately more women undertaking vocational education courses are doing so at university level than men (14% of women as against 10% of men), both at EU level and in all Member States where there is vocational education in universities (Graph 35). This reflects the higher participation of women than men in tertiary education generally. On the other hand, proportionately fewer women than men come into contact with the workplace during their courses in all countries apart from Finland, and in most countries a significantly smaller number of women are involved in on-and-off-the-job training than men (Graph 36). In part, this is a consequence of their lower employment in occupations — in manufacturing and craft-based industries for example— where such training is most prevalent.

Against this background, access of women to training, especially those who are returning to the labour market after a spell out of work because of caring responsibilities, is being generally promoted in a number of different ways. In particular, in virtually all Member States, there is a general move to collect more information about the position of women in the labour market and the problems they face. As part of this, their participation on courses arranged by the employment services and other public bodies has begun to be monitored systematically. In many cases, concrete targets are being set in accordance with, for example, their share in unemployment, which in most cases are significantly higher than their present participation.

This policy is supported in many countries by counselling and increased childcare facilities. Even in countries where this has traditionally been left to the extended family, consideration is beginning to be given to the need to improve the provision of facilities.

At the same time, there are widespread efforts to open up non-traditional occupations to women, through providing career guidance, increasing the number of apprenticeships in certain countries and encouraging them to take up science and technology.

36 VET participants by gender and programme venue, 1995-96



Improving the quality of training

The quality of teaching has come under increasing scrutiny in recent years. As efforts have been stepped up to increase participation in education and vocational training beyond compulsory schooling, growing attention has focused on the cost-effectiveness of vocational training provision at the upper secondary level.

In many countries, including those in which participation after compulsory schooling is relatively high, there is widespread concern about the number of young people dropping out of upper secondary level education before they obtain suitable qualifications. Consequently, efforts have been made to improve vocational education (see Box). In a number of countries, targets have been set to reduce drop-out rates without lowering standards. In Denmark, where the drop-out rate appears to be among the highest in the EU, the aim is to reduce this from 20% to 10% or less by the year 2000 through changes in the curriculum as well as in teaching methods. Improvements in the quality of teaching, teaching methods and the curriculum, to make it more relevant to student aspirations as well to labour market requirements, are regarded as being of key importance to motivate students to continue and complete their studies.

To achieve such improvements requires action on a number of fronts, including:

(a) more appropriate training of teaching and training staff;

Improving vocational education

In a number of countries, measures have been taken in recent years to improve the quality and increase the relevance of vocational education. In Denmark, 'a strategy for systematic quality development and assessment of results within the sector of vocational education' was launched in 1995, aimed at reinforcing the self-evaluation tools used by the vocational schools.

In Austria, it is planned to introduce incentives to encourage the hiring of teachers and trainers direct from business to make tuition more relevant to labour market needs.

In Germany, conditions which teachers and trainers have to satisfy are already tougher than in most other countries, in that instructors in vocational training centres have to undertake two years of specialist tuition following their successful completion of six years of higher education. Nevertheless, there is increased emphasis on ensuring that the standard of teaching is satisfactory. The federal government has recently urged the Länder to make familiarisation placements a compulsory part of further training of teachers and has emphasised the need for up-to-date training arrangements for instructors, in the form, especially, of refresher courses.

In Ireland, teachers in institutes of technology and universities need three years' work experience as well as a degree (plus a working knowledge of Irish), while FAS instructors need at least two years' work experience. In addition, FAS, has developed a suite of open-learning based programmes to help trainers improve their skills as well as a certificate in world class standards, funded from the EU Adapt programme.

In the UK, the *Further Education National Training Organisation* was recently established to raise the level of competence of teachers and trainers in vocational training.

In Italy, a law has recently been passed establishing quality standards for training institutes. The crediting system *(modello di accreditamento)* will affect around 2 000 training bodies.

In Spain, an attempt is being made to guide the development of the information society through the *Industrial Quality and Safety Programme* (PCSI), set up to promote quality training and management in companies.

(b) increasing awareness of new developments in teaching methods, particularly of the possibilities opened by new information and communication technology;

(c) improving the use of new techniques;

(d) regular monitoring of performance and of course content to ensure practical relevance.

This implies that if tuition is to be more practically oriented, teachers and trainers should have more direct experience of business and the workplace and become more aware of the changing demand for skills on the labour market. Such experience and awareness can be attained through strengthening links between the education and vocational training system and local companies, through encouraging, and making it possible for, teachers and trainers to work for short periods in industry or services and through recruiting more teachers directly from business.

At the same time, there is growing interest in integrating academic tuition more closely with workplace training, and a number of pilot schemes have been introduced, especially in Germany, aimed specifically at increasing the practical relevance of college-based teaching by focusing on the application of theoretical methods to concrete problems. These developments are closely linked to the notion of defining key skills or qualifications in respect of particular occupations, encompassing both formal and technical knowledge and practical know-how.

Concern about the quality of tuition extends both to company-based training under the dual system and to assuring the quality of continuing vocational training (see Box). The latter tends to be managed predominantly by companies, either individually or collectively, and trade unions, with only limited involvement from government. Nevertheless, increasing consideration is being given across Europe to introducing some means of controlling the provision of training, especially by specialist private companies which have expanded considerably in number in

Assuring the quality of continuing vocational training

In a number of countries in Europe, there is a lack of control over the provision of continuing vocational training and inadequate means of ensuring that the quality is acceptable.

In Ireland, for example, in contrast to the conditions applied to teachers in vocational education in the upper secondary and university sector, no restrictions are placed on those teaching or giving training courses in the private sector.

In Germany, on the other hand, instructors responsible for giving training courses in enterprises are required to have completed a 2 to 3 year course and to have passed an examination testing their ability to teach in the relevant area, though this does not necessarily verify that they are keeping their skills up to date. There are also comprehensive regulations governing those entitled to train.

In France, where some 395 000 are estimated to work as trainers in various parts of the economy, a specific diploma has recently been introduced certifying their competence to give instruction in particular areas. In addition, a white paper published in March 1999 on the reform of vocational training, as part of a consultative process involving the social partners in particular, set out proposals aimed at ensuring lifelong learning possibilities for everyone, guaranteed by collective agreements. It also proposed extending and simplifying the mechanisms for validating know-how acquired at the workplace and making public and professional systems consistent with each other, as well as clarifying the respective roles of government, regional authorities, employer and individual in increasingly complex training systems.

In the UK, the *Employment National Training Organisation* is responsible for maintaining the standard of training in the workplace. In addition, the Adult Training Inspectorate has been established to check the quality of private training provision.

In Portugal, the *Training Organisations Accreditation System* was established in 1997 to improve the standard of training. Any organisation intending to obtain government support or EU funding has to be accredited by this system. In addition, compulsory certification has been initiated for trainers participating in ESF co-funded programmes.

The use of information technology in teaching

The use of information and communications technology (ICT) in education and vocational training is growing rapidly.

In France, for example, it is planned to introduce information technology on a massive scale. The aim, in particular, is to help develop language skills as well as to facilitate the application of new methods of teaching. In Sweden, new forms of distance learning were introduced in the 1990s.

In the UK, the national grid for learning has been established to link all schools, universities and libraries to the Internet and a number of programmes have been funded by the government to increase access to ICT training and to retrain teachers in ICT in the further education sector. In addition, the *University of Industry*, due to be launched in 2000, aims to provide high-quality learning products and services for use at home, work or learning centres across the country by means of modern communications technology. Within five years of being launched, it is expected that some 2½ million people and businesses will be using the service, with more than 600 000 people a year following learning programmes. Although funding will initially come from the public sector, it is intended in the longer term to involve private sources of finance as well. The focus will be on basic skills, ICT in the workplace, SMEs and specific industrial and service sectors.

In Sweden, a distance learning initiative was launched in 1999 through a new body — *Distansutbildningsmyndigheten* — to make post-secondary studies more accessible. Operating from 15 higher education centres, it aims to promote new and more flexible methods of learning and the provision of supplementary training to teachers in higher and adult education institutions.

In Norway, a national contact network for open and distance learning in public and private higher education institutions was set up in the early 1990s, while in 1996, there were 17 distance education institutions with a total of 94 000 students registered, with an average age of over 30 and some 60% of students being women. Although the courses provided are mainly non-formal, the number leading to formal qualifications is tending to increase.

In Portugal, a plan has been launched to equip all primary and secondary schools with computers and Internet access over the next few years.

recent years, and of trying to ensure that tuition is given only by suitably qualified instructors.

A common attempt to increase the quality of teaching has been through the use of information technology in teaching (see Box), providing access to computers, so encouraging more 'self-reliant' learning and the development of distance learning. This is important not only in opening up the possibility of vocational training or further education to everyone irrespective of where they happen to live, but also in stimulating a greater desire to learn through increasing the impact of what is taught, because of the multimedia nature of technology. It has the potential to improve practical tuition by being able to convey concrete problems and solutions in a realistic visual way.

A fundamental problem of improving the quality of training, however, is the difficulty of evaluating the standard of vocational education and training which is at present provided in different parts of the EU, despite the studies which have been carried out on the systems which exist in the various Member States.

Concluding remarks

The sectoral and occupational shifts in employment have put a premium on the attainment of a high level of education and have put those failing to obtain adequate vocational qualifications at a substantial disadvantage on the labour market. Governments across the EU have made increasing efforts over recent years to reduce numbers in this situation and to give young people dropping out of the education and vocational training system prematurely an opportunity to undertake at least some vocational training to improve their chances of finding a job. Similar efforts have also been extended to other disadvantaged groups on the labour market, particularly the long-term unemployed who, like young people, have difficulty obtaining employment, and tend to have relatively low education attainment levels. Many of these, however, are in their 50s or older, which creates special problems when it comes to training or retraining given perhaps the limited time they may be in work after acquiring new skills and their generally lower education attainment levels.

In addition, increased efforts have been made to help people with disabilities find a job by giving them access to vocational training, as well as to assist women returning to the labour market after a period away owing to family responsibilities. Vocational training, therefore, has become an important policy instrument in combating social exclusion, which tends to come, though not entirely or exclusively, from not having a working career, which is still how someone's position in society is usually defined and judged.

In many countries, however, the development of vocational training programmes for these and other groups, which is a key element of active labour market policy has taken place largely outside the 'mainstream' vocational education system. This is particularly the case so far as certification, or accreditation, of training provided is concerned. The certificates or diplomas received, therefore, where they are given at all, are typically inferior to, and not directly comparable with, those awarded for completion of 'mainstream' upper secondary level courses, so continuing to put the people concerned at a disadvantage in competing for jobs. This is especially the case in Member States where access to occupations is strictly regulated, whether formally or informally, and where completion of an active labour market programme may signify relatively little.

While much progress seems to have been made in a number of Member States in tailoring labour market training courses to individual needs, the lack of accreditation comparable to that received from completing a 'mainstream' course remains a serious deficiency in helping people already disadvantaged find a suitable job and pursue a worthwhile career. This lack of accreditation is a general problem of continuing vocational training, particularly that provided at the workplace.

Accreditation has also arisen as an issue in respect of teachers and trainers, since it is a potential means of complementing efforts to improve the quality of training provided and, therefore, its effectiveness. This tends to be less of a problem in initial training which is predominantly carried out within the public sector and is usually closely managed by government, in a number of cases in cooperation with the social partners. In the case of continuing vocational training, however, a great deal of tuition either takes place at the workplace or is contracted out to private providers. Many of these operate in specialised areas and have no formal accreditation, which is liable to raise problems concerning the quality and relevance of the tuition provided. In consequence, there is a potential

role for government, in cooperation with the social partners, in regulating the provision of such training, where this does not happen already, and in establishing a system of accreditation of the trainers involved, so helping to control quality.

There are drawbacks to establishing a formal system of this kind, however. Much of the vocational training provided has developed in response to the need to adopt new methods of working or continuously update the skills and know-how of workers as technology advances and innovations are introduced into the production process. Accordingly, since much of what is taught is new, this makes for difficulty in regulating its provision and in defining what the content of training courses should be. In this context, attempts at regulation could impede the development of new courses and restrict the amount of vocational training available in particular areas, so slowing down the spread of new techniques through the economy, and therefore, the pace of innovation. This would be to the detriment of the ability of individuals to improve their skills and of domestic producers to maintain competitiveness.

The question facing Member States in this regard is whether it is possible to establish some kind of system which safeguards and maintains standards in vocational training without unduly limiting the opportunities open to employers and workers alike to upgrade skills. A related question is how far to go in regulating the vocational training programmes developing in particular areas, often sponsored and sometimes accredited by large enterprises, in response to market needs.

Chapter 5: To facilitate access to vocational training and encourage the mobility of trainers/trainees, and particularly young people

Introduction

Access and mobility, included in the third of the five listed aims for vocational training policy in the Amsterdam Treaty, have always been central policy themes at European level.

Since the 1963 decision, a fundamental objective has been to bring about conditions that will guarantee access to adequate vocational training for all. As unemployment rose, governments across the EU expanded initial vocational training provisions to ensure that young people had the option of a course or programme, either to train for an occupation or to help their integration into the labour market. As a stated policy aim, the European Council agreed in 1982 that Member States would take measures to ensure that all young people entering the labour market for the first time would receive vocational training or work experience. In 1987, this had become an aim to ensure that all young people who wished could benefit from a one year or, if possible, a two year full-time basic training programme, or work experience, and this was supported by the introduction of the Petra programme.

Member States have also encouraged the growth of continuing vocational training through a mixture of exhortation and incentives. They have expanded public sector provision — mainly for unemployed people or those at risk of losing their jobs — principally in the form of both labour market programmes and adult education courses. At European level, the Force programme, introduced in 1990, focused on ways of improving continuing vocational training. In 1993, the Council agreed a recommendation on access to vocational training. However, access to vocational training has increasingly become part of a debate on developing lifelong learning, encouraged by the European Commission's 1993 white paper, *Growth, competitiveness, employment*, and the discussions stimulated by the European year of lifelong learning in 1996.

Vocational training has also contributed to polices to promote the free movement of workers, through exchange programmes and measures to promote recognition, or wider acceptance, in Member States of qualifications acquired in other parts of the EU. Exchange programmes for young people were introduced as long ago as 1964, originally as free movement measures. They were integrated specifically into vocational training policy in the Petra programme in 1987. Plans to harmonise levels of vocational training proposed in 1963 were dropped in favour of the comparability of qualifications in 1985. Directives on mutual recognition of qualifications, covering the regulated profession have also been agreed, although often only after long negotiation. Since the early 1990s, however, focus has been on increasing the acceptance of qualifications across the EU by improving their transparency.

This chapter points out that the implications of the debate on lifelong learning for access are far reaching. It looks at reforms in Member States to make initial vocational training systems more flexible and more accessible and to make it easier to switch between vocational and academic streams. It goes on to examine continuing vocational training, considering the different learning pathways emerging, the growing interest in non-formal learning and ways it can be reflected through qualifications. The chapter also considers the links between the qualifications system and vocational training programmes for unemployed people. In terms of mobility, it examines the scale of labour movement in the EU and development of mobility programmes as a way to learn and acquire new skills. Finally, the important issue of sectoral and occupational mobility is discussed, including the movement between different sectors and some of the barriers to moving between jobs.

Access to lifelong learning

The ongoing need to update skills and knowledge in the light of change has blurred the divisions between

initial and continuing vocational training. It has encouraged the debate on access to be expressed more in terms of facilitating lifelong learning. Achieving this, however, is a major challenge. Lifelong learning implies a seamless progression of enhancement and improvement of competence. This, in turn, implies that all of those in the workforce, or those working to join it, whatever their age or status (employed, unemployed, self-employed), should have sufficient opportunity to gain the skills and qualifications they require. However, the structures in place in Member States still largely divide learning into these two stages. This is not least because, despite the diversity of systems in Member States, generally speaking, governments have more direct responsibility for and devote more resources to the provision of initial vocational training, while continuing vocational training lies more in the hands of employers and the social partners. Furthermore, there remains a divide between general academic education and vocational training, again due in part to the fact that responsibility lies with different institutions.

The key point is to develop lifelong learning. There is a need to encourage cooperation and flexibility between the different institutions and structures involved to accommodate the different demands being made. Lifelong learning implies choice for people to pursue the education or vocational training that is appropriate at any given time. This also implies flexibility, and the option to switch between courses if necessary, so individuals are able to progress to more advanced education and training if they show the ability and aptitude to do so. Lifelong learning also implies an acknowledgement that learning is not confined to the formal education or vocational training systems. People learn in a variety of ways and use skills in their working lives that may have been acquired through years of work experience or through domestic or leisure activities. The ability to exercise choice, however, depends upon the provision of appropriate vocational guidance throughout working life, so people can make informed choices about their career paths.

Access to initial vocational training

All Member States have provided a guarantee of access to some form of initial vocational training for all young people. However, as indicated above, in the context of lifelong learning, providing a vocational training place is only one aspect. This is recognised in Member States which are reforming their systems, generally speaking, by:

(a) providing more vocational guidance in schools and colleges so that young people are better informed about career and related educational and training options open to them;

(b) increasing the number of apprenticeships and traineeships so that those without the aptitude for further academic education have the opportunity to acquire vocational qualifications to enable them to pursue a worthwhile career;

(c) making it easier for people to switch from a vocational education or training programme to a general, or more academic, one or to progress to such a programme once they have completed their initial course — in the extreme, for those on apprenticeships to be able to undertake a upper secondary education course and go on to university if they have the aptitude;

(d) establishing a more coherent system of certification of competence at various levels encompassing both vocational and academic qualifications;

(e) raising the esteem attached to vocational in relation to academic qualifications to encourage more young people to opt for this career path, so helping to ensure that more people pursue the option most suited to their capabilities and that fewer drop out;

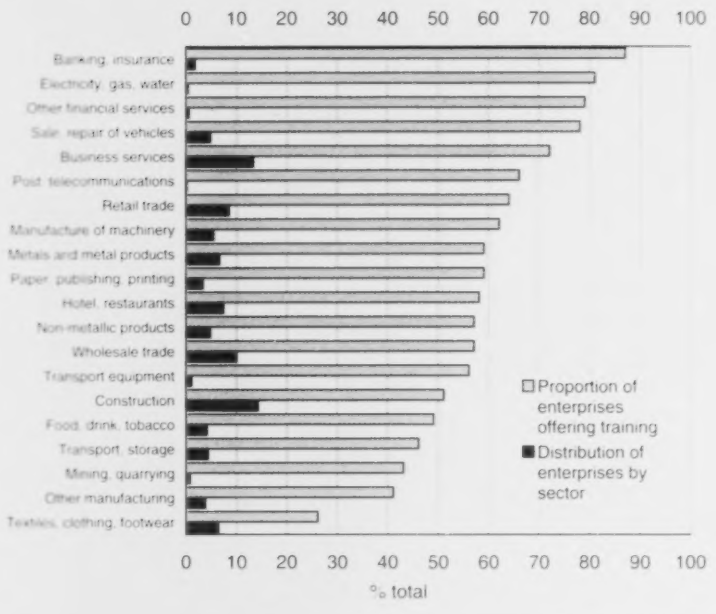
(f) improving the quality of vocational education and training programmes, to make them more attractive to students and more valuable in terms of their career choices, in particular, by strengthening the workplace element in some cases and the theoretical content in others.

The extent and nature of the need for reform varies markedly between Member States. For example, in Germany, Austria and Denmark, there is a tradition through the dual system or similar arrangement of practical on-the-job training and formal teaching of general principles, whereas in many other countries, this practice is much less well prevalent. There is a general concern, however, to adapt vocational training systems to changing circumstances. In the former

groups of countries, therefore, efforts are being made to take more explicit account of sectoral shifts in economic activity and in the technical content of jobs, while in the latter countries more fundamental changes are being made (see Box).

To improve the vocational content of courses, schools, colleges, universities and training institutes are being encouraged to cooperate more closely with local employers and, in some cases, with trade unions both to give students access to practical workplace experience and to help make sure that courses are relevant to local labour market needs. In addition, they are being asked to make it easier for young people to switch between education streams and vocational courses. At the same time, employers for their part are being encouraged to provide more training and work experience places for those undergoing initial vocational training, as well as to organise more continuing vocational training for their existing workforce.

37 Enterprises offering training by sector in the Union, 1993



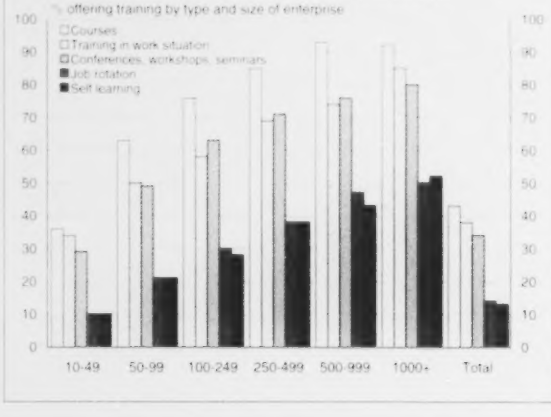
Access to continuing vocational training

Data measuring participation in training (see Box), especially continuing vocational training are relatively sparse and dated. They are not entirely comparable between Member States and indicate there is considerable variation in the provision of continuing vocational training and access to it between sectors and firms of different size and between workers of differing education attainment levels.

According to the continuing vocational training survey (CVTS) conducted for 1993, training tends to be more prevalent and open to more workers in technically-advanced sectors than in other parts of the economy, in banking and insurance or in business services than in hotels and restaurants or transport and in engineering than in the textiles and clothing industry (Graph 37).

Large enterprises provide significantly more training of various kinds than smaller ones. In 1993, over 90% of firms with 500 or more employees organised training courses for their workforce as opposed to just over 60% of firms with 50 to 99 employees and only around 35% of firms with under 50 employees. At the same time, over 75% of enterprises with 500 or more

38 Enterprises offering different types of training by size of enterprise in the Union (E12), 1993



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Examples of reform of vocational training systems

The Education Act (LOGSE) implemented in 1993 in Spain proposed the closer integration of initial and continuing vocational training. Those completing compulsory schooling were given the choice of either intermediate vocational training or to study for the *bachillerato* for entry into university or higher level vocational training. All students were required to complete a workplace module accounting for 20% of total course time. In 1995, certificates of proficiency were introduced to attest to the skills acquired through continuous vocational training programmes and in-work experience, to increase the amount of information available to prospective employers. The programmes concerned are shorter than for initial vocational training (800 hours as against 2 000 hours) but involve a greater practical element (60–70% of the total course time) and are open to both employed and unemployed.

In Greece, a programme is underway to improve the teaching programmes in initial vocational training institutes, increasing the range of courses provided and modernising teaching methods, with the assistance of the social partners, including introducing courses on computing and the related technology and using information technology as a teaching tool. In addition, secondary-level technical schools were introduced in 1998 to provide high quality technological and vocational education, with courses of three to four years and with special importance attached to practical experience. In 2001, it is estimated that student entry will amount to some 10 000. The schools will be linked more closely with the apprenticeship system and from the academic year 1999–2000, apprenticeship schools will operate as technical schools. At the same time, the aim is to make access to university education more flexible through 'elective studies programmes', which establish contemporary courses of study in new areas. Courses last between four and six years. A further aim is to enable older people to obtain a university education and to retrain at any stage of their working lives.

A programme of 'supplementary education for university or technical institute graduates' is also being introduced, in the form of short courses of three to six months, to enable graduates to update and upgrade their skills. The specific courses to be offered and their content are to be determined on the basis of a survey of labour market needs.

A green paper on adult education published at the end of 1998 recommended the implementation of measures to make it easier for students to go onto a tertiary education, to reduce the costs for mature student, and widen the available options. Proposals include the establishment of a coordinated tertiary access programme and a forum for practitioners in adult education to share good practice. The National Qualifications Bill enacted in 1999 provides the basis for a comprehensive qualifications framework plus the easing of access, transfer and progression.

In the UK, it is acknowledged that there is a problem of low education attainment levels among people of working age, with 20% of the adult population experiencing problems of reading, writing and numeracy. To counter this, plans have been announced to increase the number of young people remaining in education and vocational training beyond compulsory schooling, through increasing the number of places, the development of 'modern apprenticeships' and new traineeships, the doubling of the number of adults taught to improve their literacy and numeracy, expanding learning in the workplace and establishing an understandable system of qualifications. Individual learning accounts have been set up to encourage adults to invest in their own further education and vocational training.

In Finland, vocational training is being reformed to extend the standard duration to three years with practical training for six months. Basic vocational training will include physics and chemistry as compulsory subjects to make it easier for women students, in particular, to follow further training in technical subjects. In addition, decisions on future training needs are being transferred to providers themselves with the Ministry of Education monitoring the targeting of provision.

In the Netherlands, a priority has been to expand dual training courses at both university and upper secondary levels. Nine dual training courses will be offered at universities in the 1998-99 academic year, increasing to 24 the following year, the aim being to coordinate training more closely between employers and universities. The initiative will be evaluated in 2001.

In Denmark, a radical reform of the technical vocational training programmes is planned for 2000, aimed at providing access to these to all young people regardless of their education level. By making the programmes more transparent and flexible, it is hoped to encourage greater participation in vocational training, which has declined over the 1990s.

Measuring Participation in Training

There are four available international sources of data on the participation of adult workers in training, two compiled by OECD, the *International Adult Literacy Survey (IALS)* and the *Indicators of Education System (INES)* and two by Eurostat, the *European Union Labour Force Survey (LFS)* and the *Continuing Vocational Training Survey (CVTS)*. (These were reviewed by OECD in the 1999 *Employment Outlook*, and the following is partly based on this review.) These show somewhat different levels of training in Union Member States, partly because of variations in the way the data are compiled.

The main differences are as follows:

- cross-country harmonisation: only the IALS was based on a common questionnaire and survey protocol in all participating countries, though this is also largely true of the LFS, while, at the other extreme, the INES uses existing national surveys, which accord as closely as possible with the agreed set of definitions;

- survey reference period: although all four surveys provide information on continuing training, the LFS only asks about training undertaken during the four weeks prior to the survey, whereas the other three cover a 12-month period. This might be one reason why participation in training is shown to be much lower in the LFS than in the other surveys;

- survey nature, sample size and survey frequency: three of the surveys are household-based — i.e. the information comes from individuals receiving training — whereas the CVTS collects data from employers. Moreover, the latter relates to 1993, the IALS to the period 1994–95 and the INES to sometime between 1991 and 1996, according to national data availability. The LFS, by contrast, collects data annually. Both the LFS and the INES are based on relatively large samples, while the CVTS collected data from a variable number of enterprises in Union Member States partly because of differing response rates, the intention being to survey 45 000 enterprises across the then 12 Member States (in Italy, 16 000 enterprises responded, in Ireland, 700). The IALS is based on the smallest sample, of only around 20 000 individuals in the 5 Member States plus the Flemish region of Belgium, 10 000 of these being in the UK and only 2 100 in Germany, which may limit its reliability;

- definitions of training: there are differences in this respect between the four surveys. The main focus of the INES was on formal types of training, provided through courses, whereas the IALS included on-the-job training, so increasing reported participation. The CVTS in principle excludes initial training, while the LFS asks generally about education and training received in the previous four weeks. There are questions about the inter-country comparability of both these sources because of the imprecision of the definition of training. This applies particularly to the LFS, in which the data for some countries, France especially, cover only formal training courses, while in others training through work experience is included to varying degrees;

- amount of training: both the LFS and INES measure this in terms of the total hours of training received during the reference period. The IALS includes only those hours for the three most recent courses undertaken, while the CVTS includes both hours and costs associated with courses;

- coverage: the CVTS excludes agriculture and the public (or, more precisely, the non-market) sector as well as companies with fewer than 10 employees. The latter may result in overestimation of the overall extent of training, given that training tends to increase with firm size;

- countries included: the INES covers only 4 EU Member States, the IALS only 5 plus the Flemish region of Belgium and the CVTS, the 12 then Member States. Only the LFS covers the whole of the Union, plus Norway and Iceland as well as Hungary. Only Germany of EU countries is included in all four surveys, while 4 (Ireland, the Netherlands, Sweden and the UK) are included in three.

Comparison of results

There was a broad similarity in the ranking of countries in terms of the overall level of training between the different surveys — i.e. a country with high participation

in training according to one survey also tends to show high participation in the others, and vice versa. According to three of the surveys, training seems to be fairly evenly distributed between men and women, but the CVTS shows higher participation among men. According to the INES, there is little difference in the provision of training by age group, but the LFS indicates much higher participation among younger than older groups. This was less so in the Nordic countries, apart from Finland, whereas in France, Luxembourg and the southern Member States, training was very much concentrated among younger workers.

All the surveys indicate that participation in training is much higher among those with university degrees than for those who had not completed upper secondary education — some three times higher according to the IALS and 8½ times higher according to the LFS. Similarly, the IALS suggests that workers with higher literacy levels receive more training than those with lower levels. In general, the distribution of training between different groups tends to be more even in those countries with the highest overall levels of participation, which is only to be expected.

employees provided on-the-job training as against only a third of firms with under 50 (Graph 38).

In addition, employees with university degrees or the equivalent, according to the CVTS, seem to have a much higher chance of receiving training once they start working than those with only basic education. This is confirmed by the OECD adult literacy survey for 1994–95, which indicated less than half of the population aged 16 to 65 with lower secondary level education in both Sweden and the UK received any adult education or vocational training during the year before the survey, although over 70% of people with university education did. The pattern was similar in the Flemish region of Belgium, Ireland and the Netherlands, the only other parts of the EU covered by the survey, though the relative numbers in receipt of tuition were less in each case. In addition, national data for Austria indicate that only 18% of employees with no educational qualifications beyond basic schooling received continuing vocational training over the period 1985–89 as opposed to 50% of university graduates. While these findings do not necessarily indicate accurately the extent of the difference in access to continuing vocational training between people with different levels of educational attainment, in the sense that those with lower levels may be less inclined to seek out opportunities to extend or upgrade their skills, they suggest that it is significant.

The figures also suggest that employers seem to attach more importance to enhancing the capabilities of personnel who are already highly skilled than those of workers who are less skilled. This may reflect the interests of firms, in the sense that they may gain more in terms of productivity and profitability from such a policy, but it also means that those who missed out in respect of initial education and training also tend to lose out when it comes to continuing vocational training. However, this may also reflect job content. Highly skilled employees in jobs subject to change will need to have skills updated more regularly.

But there are signs of efforts being made in a number of countries to increase the participation of less skilled workers in continuing vocational training (in Germany, the social partners have taken an active lead in trying to achieve this) and, in some cases (France, in particular), to make more effective use of State funding for continuing vocational training to influence the way in which training is distributed between workers. Small and medium-sized enterprises (SMEs) are a particular focus of policy attention throughout the EU. This is not only because of the smaller amount of finance they generally have available to fund training but also because of the large amount of time which training can absorb in a context in which there is usually relatively little spare capacity among the workforce. The application of structural policy at EU level, and in particular, the European Social Fund, is directed towards assisting SMEs.

The focus of national policy also tends to be on SMEs. In Ireland, for example, a special subsidy for vocational training, covering 20 to 80% of the cost, has been paid to SMEs since 1990, initially to help them prepare for the single market but subsequently to provide general assistance, though the average amount involved is relatively small. (In 1996, around ECU 10 million was paid to 2 900 companies with some 28 000 employees, most of it going to firms with under 50 employees, which implies an average of around ECU 350 per employee.)

There are differences between Member States in respect of the right of individuals to continuing vocational training and the support they receive for undertaking it. In

Training leave

Employees have a right to take time off work to update or extend their skills only in a few countries, though in a few more (as in Austria, for example), consideration is being given to establishing such a right.

In France, the right to training leave dates back to the early 1970s. Firms with 10 or more employees are required to set aside 0.2% of their wage bill to help fund such leave and around 30 000 employees each year exercise their right. This represents some 65% of those applying for leave, but the proportion is tending to fall because of a lack of income in the fund to cover the training costs of the people concerned.

In Denmark, the job rotation scheme was introduced in 1993, with the twin aim of providing employees with an opportunity to take a period off work for training in order to update their skills and the unemployed with the chance of working for a year in their place. In principle, therefore, everyone gains, including employers because they come into contact with people who they might recruit in the future if there is a need. In practice, there are indications of some decline in the numbers participating in the scheme. In 1996, 36 400 or 1.3% of the workforce participated. In the first six months of 1997, almost 11 200 employees took a year off for training and some 1 750 unemployed had the chance of a temporary job (it should be noted that several permanent employees tend to be replaced by one person previously unemployed). In the first six months of 1998, some 8 350 employees took time off, replaced by 2 550 unemployed people. For the same period in 1999, the figures had fallen to 7 300 and 1 600, respectively. This decline in participation seems to be a result partly of increased economic growth which has made firms more reluctant to release employees, partly of the increasing difficulty of finding suitable replacements from among the unemployed.

A job rotation scheme is being actively considered in Finland, with joint involvement of the Ministries of Labour, Education and Health and of the social partners. Also those returning from family leave may receive retraining or supplementary training.

In a number of countries, training leave is an issue which features in collective bargaining. In Germany, for example, in 1990, there were rules relating to vocational training costs in 90 of the 330 sectors regulated by collective agreements, in most cases the employer bearing the cost involved. In France, as a result of the framework agreement in the public sector, the government, in its role as an employer, set aside around 4% of the wage bill in 1996 for continuing vocational training.

In France and Finland, the right to training leave has recently been extended to fixed-term contract workers, to give the growing number of them the same entitlement as those on standard contracts. Under the proposed reform of the vocational training system, the plan is to give everyone a right to training which can be transferred from company to company, with the counterpart development of a mechanism for the official recognition of qualifications which they obtain.

In Belgium, the possibility of taking time off for study leave has recently been strengthened and extended to the self-employed through the *chèque-formation* scheme, which applies also to those employed in SMEs, as well as to certain part-time workers.

In Italy, the Parental Leave and City Hours Bill went before Parliament in 1999, its aims including the right to unpaid training leave for those in work and to vocational training programmes for those returning to the labour market after a period of absence.

In the Netherlands, the Career Breaks Funding Act of 1998 provides an allowance of EUR 440 a month for up to 18 months for employees taking long-term leave, with their employer's consent, either for caring or further education reasons. The aim is that someone unemployed or disabled should be taken on as temporary cover.

some countries, individuals are statutorily entitled to training leave (see Box) to take time off to go on a training course and may receive financial help to do so. In other countries, by contrast, it is almost entirely dependent on the discretion of employers. In practice, the results of the two approaches may not be so different, since, even in countries where individuals have a right to leave, they would normally be reluctant to exercise this if their employers did not agree to them taking time off. In some cases, as in Germany, training leave is increasingly figuring in collective agreements, with employers being required to provide the opportunity for continuing vocational training and employees being required to go on training courses. This is particularly so where there is

a need for restructuring jobs because of changes in technology or in market circumstances and where, consequently, new skills and new working methods have to be learned.

There is evidence of a move in a number of countries to increase individual rights in this area as well as to encourage more firms to provide vocational training and to do so on a more systematic basis, through the support of the social partners. Since such action need not involve incurring public expenditure, or at least not very much, it can usually be undertaken without infringing budget constraints.

At the same time, there is also evidence of a trend among companies in some countries to lay off workers in downturns and to hire them on temporary contracts during upturns, in part because of the growing competitive pressure they face to maintain profits irrespective of market conditions and so to reduce fixed costs. (Evidence of this trend can be seen in the growth in the proportion of those in work employed on temporary contracts, from an average of 8½% in the EU in 1985 to 13% in 1998, coupled with the fact that around 55% of jobs which people take up after being unemployed are for a fixed term (European Commission, 1999a).)

A corollary of this is that there is a risk off vocational training within firms becoming concentrated on a small stable core of privileged employees whose jobs are maintained, while the vocational training of other workers is limited to teaching what they need to know to do the job for the relatively short time they will be employed. This has motivated governments in a few countries to give more attention to the implications for access to continuing vocational training, and in France and Finland, in particular, entitlement to training leave has recently been extended to those employed on temporary contracts.

An alternative response — which reduces the costs falling on employers — is to encourage people to take more responsibility for their own education and vocational training. This approach has been followed in the UK and the Netherlands, where measures have been introduced to make it more possible and attractive to do this. In the Netherlands, more flexible arrangements for financing participation in higher education study courses have been introduced, under which the age limit for funding has been raised to 30 and the time by which courses have to be completed increased to ten years. In the UK, the availability of loan-finance has been increased, as noted above, and tax-free individual learning accounts have been introduced to enable people to invest in their own future, assisted by a small contribution from government (of around EUR 225) and by granting tax concessions to employers who give financial support.

There is also widespread acceptance of the need to provide access to vocational training or retraining for those losing their jobs, or threatened with job loss, especially in regions facing economic difficulties. This has, in part, been encouraged by the European Social Fund, with the establishment of Objective 4 in the 1994 to 1999 programming period to provide support to those at risk of job loss, supplemented by the Adapt programme to assist retraining in the context of structural change. A number of programmes, cofinanced by the ESF, have been developed in Member States specifically for this purpose. In Austria, for example, redundancy foundations, funded mainly by government with assistance from the ESF, have recently been created to provide retraining, guidance and support for those losing their jobs because of restructuring.

At the same time, it is arguable that employers also have some responsibility for helping to tackle the vocational training implications arising from the trend towards greater labour market flexibility and, in particular, by their increased ability to lay off workers during economic downturns. In essence, the benefit employers gain from such arrangements strengthens the case for imposing an obligation on firms either to provide vocational training directly to employees on temporary contracts, or to contribute to financing their training, or retraining, indirectly through paying a levy. This would not only help to keep the skills of people concerned up-to-date and in line with labour market needs, but it would also mean that employers are better able to recruit the skilled workers they need in future.

Accreditation of skills

In parallel with discussions on wider access to both initial and continuing training, however, is a debate on the assessment and recognition of competencies. People need to be sure that they can make effective use of the skills and know-how acquired from vocational

training in terms of their career advancement and their earnings potential and, in cases where they have been retrained, that the tuition they have received will open up job opportunities in other areas. Equally, employers need to have some confidence that the people they recruit are capable of performing the jobs which are on offer. This debate is also linked to the question of how to broaden the competence base of societies and use the reservoir of knowledge and experience developed outside formal education and vocational training, for example at home, work, or during leisure time (Bjornavold, 1997a).

The problem of assessment applies partly to continuing vocational training. Here teaching arrangements in many but not all countries are less structured and tuition can be provided by employers at the workplace, by private specialist companies or by institutions which are part of the formal education and vocational training system. An even bigger challenge lies in assessing and recognising competencies acquired through work and in other pursuits not related to formal education and vocational training.

There is growing interest in the EU in devising a suitable system of accreditation of both continuing vocational training and non-formal learning. In most cases this is linked to the introduction of output-based, or performance-based, systems for vocational training. These systems like the UK National Vocational Qualifications (NVQ) system define a certain competence to be achieved but are flexible as to how it is acquired. Work-based (non-formal) learning is thus a legitimate pathway to a formal certificate. This implies that methodologies for the assessment of work experience become crucial elements of new systems. This has been accepted in a number of Member States, most notably France, Ireland, the Netherlands, Finland and the UK. Spain and Italy have recently introduced systems emphasising the relationship between output-based systems for education and vocational training and assessment and recognition of non-formal learning. Moreover, in Portugal, the National Agency for the Education and Training of Adults was created in 1999, in part to design a system of recognition and validation of informal learning leading eventually to formal certification.

However, even if such systems are being put in place, there remains the challenge to ensure general acceptance by employers of any certificates or diplomas awarded. This will not necessarily happen simply by establishing a system of accreditation. Its success depends on creating confidence in the system and a belief that certificates awarded are a reliable indicator of the skills acquired (Bjornavold, 1997b).

In practice, there is growing recognition in Member States that there is a need for a coherent system of accreditation for vocational training, and for non-formal learning most especially, both to stimulate the development of continuing vocational training and to facilitate mobility between jobs. At the same time, there is discussion as to whether such a system should ideally be applied across EU as a whole to facilitate greater

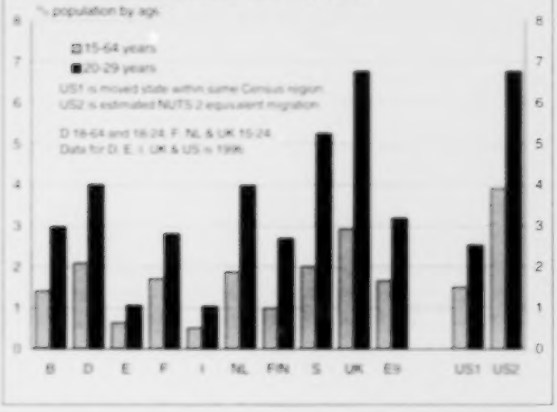
A European approach to teaching and learning

The European Commission's 1995 white paper, *Towards a learning society*, highlighted the requirement for broader based learning incorporating basic knowledge, technical knowledge and interpersonal skills, which together help determine the employability of a person and their ability to adapt to change. The white paper also called for better ways of assessing attributes which do not lend themselves to the traditional examination means of evaluation. In response to this need, the European Commission through the first Leonardo da Vinci programme experimented with devising a 'personal skills card' (PSC).

The idea behind the PSC is to summarise an individual's knowledge and competence in a number of areas: core skills (such as maths, languages and information technology), vocational and technical skills and key skills (such as logistics and interpersonal skills). A series of transnational projects were undertaken to compile experience, in particular, of electronic ways of measuring competencies.

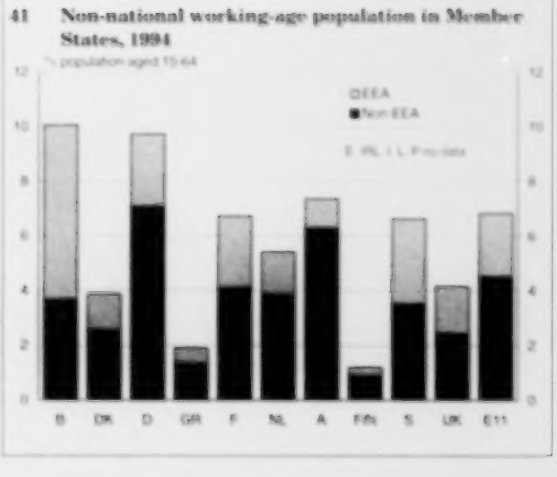
The intention was to develop interactive evaluation software which could be used over the Internet. Some of the projects are still underway. The general aim of establishing a single European PSC, operating within a European skills accreditation system, is proving difficult to implement. The main problem is establishing a common standard on which competencies can be assessed. The focus of the experiments on the PSC was on electronic instruments rather than the standards and the need for them to be widely accepted.

39 Domestic migration (NUTS-2) by age group in Member States and the US, 1995


% population by age
15-64 years
20-29 years
US1 is moved state within same Census region
US2 is estimated NUTS 2 equivalent migration
D 18-64 and 18-24, F, NL & UK 15-24
Data for D, E, I, UK & US is 1996
B D E F I NL FIN S UK EU US1 US2

40 Immigration into Member States, 1996

41 Non-national working-age population in Member States, 1994



mobility of labour between countries and, accordingly, between different labour markets. Experiments have been carried out for developing a European approach to assessment (see Box). It also recognised, however, as discussed below, that a universal system of this kind with common standards of accreditation is much more difficult to establish at the EU level than within individual countries, because of the very different national education and vocational training systems which exist and because of the key role that educational and other qualifications play in society.

Promoting mobility

There are two equally important aspects of mobility. One is geographical mobility, where people can work, or train, in different parts of the EU. The other is sectoral and occupational mobility, where people can change the job they do or work in a different sector of the economy as the structure of economic activity alters. For an economy to remain competitive and secure a high level of employment, it is essential that structural shifts in employment of this kind take place. Accordingly, it is important that any artificial barriers to people being able to switch jobs are removed. It is equally important for people to be able to switch between education or vocational training programmes which are necessary preliminaries to enable them to pursue particular occupations.

Geographical mobility

Despite numerous efforts over the years to promote the free movement of labour in the EU, in practice, an average of some 1½% of people of working age (15 to 64) moved between regions within Member States in 1995 (regions being defined as areas, with an average population size of around 180 000) (Graph 39). There are 200 such (NUTS 2) regions in the EU. This was significantly less than in the United States, where the figure for movement between similar sized areas was almost 4%. The big difference was in terms of long-distance movement, between census regions in the United States (such as in the Mid-West or North–East) or countries in Europe, which amounted to only around ½% of working-age population in the EU, around a quarter of the equivalent figure in the US (Graph 40).

The relatively small scale of transnational movement in Europe is reflected in the similarly small number of

people of working age who are nationals of one Member State but live — and, in most cases, work — in another. In 1994, this amounted to only around 2% of the population aged 15 to 64 in the EU, though in Belgium, it was over 6%, by far the highest figure in the EU leaving aside Luxembourg (Graph 41). By contrast, only around ½% of people of working age living in Greece were from other EU countries and an even smaller proportion of those living in Finland.

The extent of movement of labour between regions in all European countries tends to decline with age. It is particularly high for those in their 20s who are just starting work or attending colleges of further education or vocational training and who tend to have fewer ties than those in older age groups. On average in the EU, over 3% of people aged 20 to 29 moved between regions in Member States in 1995, around twice the proportion for the working-age population as a whole. There was, however, a marked variation in the scale of movement between countries, ranging from almost 7% of young people in the UK (in this case those aged 15 to 24) and over 5% of those in their 20s in Sweden, to only 1% in Spain and Italy.

This difference reflects in large measure the tendency in some countries, especially the UK and other northern Member States, for young people to move away from home to pursue their further education — usually at university or college — or vocational training, whereas in other countries, particularly in the south of the EU, young people usually remain living at home during their studies. The availability of grants to cover at least part of living costs are an important reason for this difference, making it easier for young people to live independently from their parents in northern Member States. For those in the south who leave the education and vocational training system and are looking for a job, the non-availability of unemployment benefits or other forms of social assistance to young people has a similar effect in deterring movement.

Although encouraging mobility may not be a suitable response to regional disparities in economic performance and employment, it, nevertheless, may be in the interests of individuals to widen their horizons, open up new possibilities and further their career prospects, even leaving aside the potential beneficial effects on labour market balance for particular skills.

Mobility as a learning process

The emphasis of EU policy on geographical mobility has tended to broaden over the years from a concern with simply ensuring free movement of labour to encouraging and facilitating the ability of young people to study in others parts of the EU through programmes such as Erasmus, Petra, Lingua, Comett, Leonardo da Vinci and Socrates. The aims are to improve language skills and to increase understanding of other cultures and institutions as well as to further the acquisition of key qualifications, such as adaptability, independence and creativity, which are as important as specific technical skills. These objectives are more likely to be achieved the longer a person stays in a particular country and the more interaction they have with the people living there, as well as if they are reasonably young, and therefore, receptive, when this occurs (Kristensen, 1997).

Such considerations are particularly relevant for multinational companies, which in practice are the main vehicle for labour movement within the EU. Many of the companies concerned, however, have a policy of placing people for relatively short periods of time in their branches in other countries which tends to limit the value of the experience from an educational perspective.

With closer economic integration in Europe and the continuing process of globalisation, linguistic skills and a knowledge of different cultures are becoming increasingly important attributes in business generally and in many occupations. This has attracted attention to integrating mobility and exchange programmes into the learning process (see Box). While these are not usually obtained simply by moving from one part of a country to another, making it possible for people to move away from home at an early age is likely to increase their willingness to move further afield and their desire to experience living in other countries in the future. In recent years, EU policy has sought to support and encourage this through funding student exchanges under a number of programmes.

Even though many exchange and placement initiatives have been sponsored at European level, there is a lack of Member State initiatives to open up the possibility of students and trainees spending part of their period of ed-

ucation or vocational training in another Member State. At present, only Denmark has a programme of this kind, enabling young people to spend a period abroad in work placements with employers as part of their vocational training course. Elsewhere such an opportunity tends to be limited to comparatively small numbers of language students at universities or to a few trainees in multinational companies.

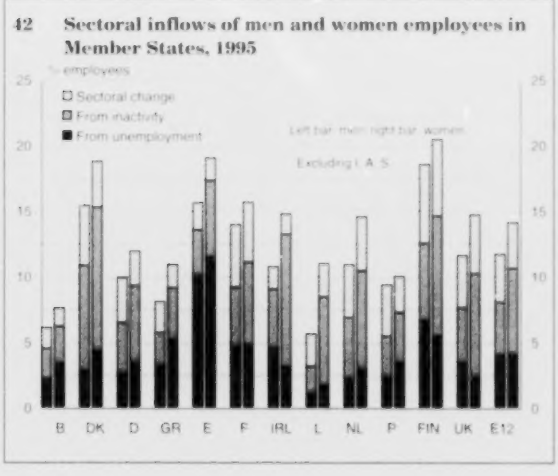
At the same time, efforts have continued at European level to reduce obstacles to international mobility of labour, with increasing attention being paid not only to the ability of people to move to other countries to find employment, but equally importantly to the acceptance of qualifications attained in other Member States.

The key problem in this regard is the central role played by a person's occupation in determining their position in society and, related to this, the major importance attached to specific programmes of education and vocational training for preparation for particular occupations in different countries. This would not matter so much if the nature and, more especially, the extent of training which is regarded as suitable preparation for a particular occupation, did not vary markedly between countries. The fact that there are substantial differences makes it difficult to secure agreement on defining a suitable set of qualifications for any given job which people — and employers and trade unions, in particular — would be prepared to recognise as such.

Sectoral and occupational mobility

The importance of sectoral and occupational mobility should not be overlooked. Although free movement within the EU may extend the opportunities open to individuals, large-scale labour movement between regions is not necessarily conducive to the long-term competitiveness of an economy, let alone to economic and social cohesion. It may lead to a worsening of regional imbalances and a concentration of economic activity in the stronger and most prosperous areas, which may already be over congested. In practice, such a widening of regional disparities is a particularly probable outcome of a high level of mobility because of the likelihood that a disproportionate number of people moving between regions will be the younger and more qualified members of the workforce. Since these will tend to be predominantly moving away from regions of high unemployment and inadequate rates of net job creation, this is likely to exacerbate the economic problems of the latter by further discouraging business investment from locating there.

42 Sectoral inflows of men and women employees in Member States, 1995



The deep-seated nature of the regional imbalances which exist in many parts of Europe, and the obstacles to the development of the weaker regions, are arguably in part due to the outward migration of young people over a great many years. One of the main reasons for the establishment of the EU Structural Funds, was to strengthen the economies of weaker regions and reduce the incentive and pressure for people to move out, so breaking the vicious circle of relative economic decline and low levels of employment.

The acceptance of qualifications also affects mobility between jobs, particularly those in different sectors. This is related to the extent to which entry to particular vocations is regulated, either formally or informally, and to how broadly or narrowly defined vocations tend to be. As noted elsewhere, there is general tendency across the EU for broader and more generic definitions to be adopted as the pace of technological and structural change increases and for occupations to be less specific to individual sectors of activity. Significant differences, however, continue to exist in this respect across the EU.

In practice, partly reflecting these differences, the extent of labour movement between sectors varies markedly between EU Member States. In Denmark, Spain and Finland, over 15% of men and around 20% of women employed in a particular sector in 1995 were not working in that sector, or not working at all, one year before. By contrast, in Belgium, Greece and Portugal, the figures were only around half as high

(Graph 42). The low figure for Portugal, and high figure for Spain has much to do with the respective levels of unemployment.

In terms of movements between sectors, the picture is one of a relatively high proportion of people shifting from one sector to another each year in France, the UK and the Netherlands (over 4% in each case) as well as in Denmark and Finland, and relatively few shifting (2% or less) in Belgium, Greece, Spain and Ireland. This does not mean, however, that the extent of intersectoral mobility is low in the latter countries, only that there is comparatively little direct movement between sectors. It is possible that in these countries, sectoral shifts take place to a greater extent than elsewhere through an intermediate phase of unemployment (though no data are available to verify this). In practice, while this is possibly the case in Spain and Ireland, where unemployment was much higher than the EU average in 1995, it is much less likely in Belgium and Greece, where unemployment was slightly below average.

As might be expected, a disproportionate number of those moving into a new job each year tend to be young people under 25. Over the EU as a whole, these accounted for almost 40% of the total concerned in 1995, three times more than their share of total employment (Graph 43). This not only reflects the number of young people moving from education or initial vocational training into employment for the first time, but also the relatively high number who change their job. On average, people under 25 are roughly twice as likely to change their job each year than those aged 25 to 49, who in turn are roughly twice as likely to do so than those aged 50 and over.

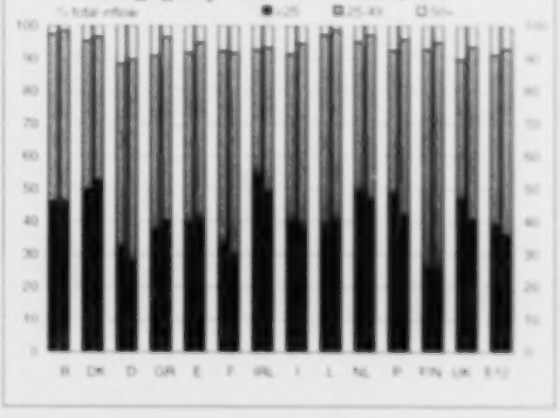
This may be a consequence of the increasing importance attached to stability as people get older, but also of the growing difficulty involved in changing jobs once people pass a certain age because of a possible lack of up-to-date skills and the problems of gaining access to the necessary training to rectify this. It may reflect, in turn, a reluctance on the part of employers to invest in vocational training, or more generally to assimilate older people into the workforce, because of a belief that the return might be relatively short-lived, even though this may not be the case. Equally, however, it might be a result of people themselves being reluctant to participate in training, perhaps because of a relatively low level of educational attainment or an aversion to learning new techniques.

With the growing technical content of jobs, for people to move from one activity to another increasingly necessitates retraining. As noted above, it is important that such retraining is accredited, so people can demonstrate to potential employers that they have the skills that they are looking for. It is also desirable that effective arrangements are developed for certifying that someone has built up experience and know-how during their careers, whether from formal training or non-formal learning, to enable them to perform particular jobs, perhaps after a period of training.

In practice, the arrangements at present in place for accreditation in EU Member States stop far short of this and, in most cases, there is a lack of flexibility in the educational and vocational career path which can be followed to be able to access a particular job. This seems to be particularly so in countries, such as Germany or Austria, where entry to vocations is effectively controlled by relatively strict national systems for defining vocational qualifications (see Box).

Occupational mobility is being assisted more directly through counselling and vocational guidance, which has been accorded increased importance in most Member States in recent years. This is supported by greater efforts from employment services to help workers losing their jobs in declining sectors to find alternative employment or to retrain — and, of course, by a range of labour market measures aimed at improving the employability of those who have difficulty in finding work. In a few countries, mobility grants are available for people, especially unemployed people, giving them the possibility of

43 Proportion of labour inflow accounted for by broad age groups in Member States, 1995



National systems for defining vocational qualifications

The arrangements for ensuring that people are suitably qualified for the jobs they take up differ between countries.

In Germany and Austria, control of entry into different occupations is, in practice, exercised through fairly well-defined education and training programmes which need to be followed in order to qualify for particular vocations. In France, collective agreements tend to define the qualifications required to undertake a particular job, but employers often refuse automatically to recognise qualifications acquired by employees as a result of vocational training. There is a concern on the part of government to make accreditation more open and for experience to be explicitly recognised.

In Spain, the national vocational training programme, introduced in 1998, included a plan to establish an integrated national system of qualifications and their recognition. In Ireland, the need for a comprehensive national assessment and certification system is accepted, *Teastas* being set up in 1995 to advise on a national qualifications framework. In the UK, the general national vocational qualifications (GNVQs — GSVQs in Scotland), were introduced to provide comparability with the qualifications obtained as a result of general secondary education (GCSEs and GCE A levels).

In Norway, under the Vocational Training Act, adults can obtain a trade and journeyman's certificate on the basis of the knowledge and skills acquired over time in the context of a job. This has become more important since 1994 with the recognition of new occupations (over 40 between 1994 and 1996), many of which are in female-dominated professions.

moving elsewhere for vocational training or work experience. This is particularly so in Italy, where there are incentives for young people living in the south to move to the north to participate in vocational integration schemes or spells of vocational training in companies.

In practice, however, much rémains to be done to break down the barriers which exist in many countries between occupations as well as between the training paths leading to qualification for different vocations.

Concluding remarks

The growth in expenditure on initial education and vocational training across the EU is being accompanied by increased efforts to widen access to upper secondary and tertiary courses of study, which has become a key determinant of future career prospects. It is still the case that opportunities open to young people to continue their education beyond basic schooling and to go on to obtain a university degree or equivalent vary markedly between Member States.

The same is true of access to continuing vocational training, which has become an equally important determinant of career progression. Access to continuing vocational training also differs substantially between those with different levels of educational attainment and those working in small enterprises as opposed to large ones. Less well-educated people and those working in small and medium-sized enterprises tend to have far less opportunity to update their skills or extend their knowledge. The possibilities for governments in many countries to reduce disparities and to improve access to continuing vocational training for those who are disadvantaged because of their education level or the firm in which they work are, however, restricted by their limited involvement in either funding or organising such training. Accordingly, they have tended to rely on exhortation to redress the imbalance, though in a number of cases, they have begun to apply conditions to any funding that is provided as well as eliciting the support of the social partners.

Governments also have a potentially important role to play in establishing a coherent system for the accreditation of skills and know-how, particularly in respect of continuing vocational training, including that provided as part of government-funded labour market programmes, where the lack of a generally recognised set of qualifications represents a significant obstacle in many cases to access to jobs. It reduces the ability of people to move between jobs and sectors of activity, if they are capable, with a reasonable amount of vocational training, to make the change and is therefore liable to slow down the structural shifts in activity which are an inherent feature of — and a condition for — economic development.

Accreditation can make an equally important contribution in facilitating movement between Member States. This is not only an important objective in itself, but can

also help to improve labour market balance across the EU economy as a whole. However, there are a number of practical obstacles affecting the ability of people to move from one country to another, including language, housing and other problems. Despite the removal of administrative barriers, the problems surrounding the understanding of qualifications is one of the most important ones. It is also perhaps the most intractable, because of the deeply-rooted nature of national education and vocational training systems and the key role they play in defining the structure of societies and determining the position of each individual within this, and one which individuals by themselves can do very little to overcome.

Despite continuing efforts to resolve this problem, there is still some way to go. The difficulties experienced in this respect perhaps contribute to limiting the extent to which young people move between Member States when undertaking their initial education and training. Despite the evident benefits which can result from people spending some time in another part of the EU, in terms of being exposed to a different cultures, different attitudes and different ways of living, there are still comparatively few people who do this during their formative years. There are also comparatively few programmes for assisting them if they wish to do so, especially at Member State level.

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Chapter 6: To stimulate cooperation on training between educational or training establishments and firms

Introduction

The development of closer links between the worlds of work and education and vocational training — the fourth of the five aims for vocational training policy in the Amsterdam Treaty — has been encouraged by the EU since the early 1970s. The apparent failure to prepare young people properly for work was seen as contributing to the substantial increase in unemployment among them in the latter part of the decade and in the early 1980s. Consequently, it was believed important to encourage such cooperation to enable young people to have the opportunity of some work experience so as to improve their employment prospects.

Concerns over preparing young people for work have shaped policy at European level in this area. On-the-job training and the integration of workplace experience into vocational training programmes to prepare young people for working life have had a prominent place in the vocational training policy at European level. The need adequately to prepare young people for working life prompted a series of Council resolutions on transition to working life between 1976 and 1982. In 1979, the Council agreed a resolution specifically to encourage development of effective links between training and experience on the job, including the establishment of programmes and structures facilitating the cooperation of the different parties involved. Cooperation along these lines continued with the Petra action programmes of 1987 and 1991. The social partners in their joint opinions also repeatedly emphasised the importance of their involvement in the development of vocational training policy and practice to ensure the vocational relevance of what was being taught.

The European Commission's white paper on growth, competitiveness and employment in 1993 sought to widen the scope of cooperation in this area by proposing greater involvement of the private sector in vocational training systems and in the formulation of policy. It also called for closer cooperation between universities and the business world. Moreover, the Commission's 1995 education and training white paper reinforced the focus on encouraging closer ties between education and training institutions and the world of work and on developing and improving apprenticeships, arguing that these provided young people with the knowledge and experience they required. Subsequently, resources in the first Leonardo da Vinci programme were devoted to developing apprenticeship schemes that included a period of training in another Member State. A key feature of such periods abroad, however, was to be that they should be an integral part of the vocational training course of the individual and contribute towards their qualification in their home country. An effort is being made to systemise this process through Europass training (see Box) agreed in 1999 and due to come into effect from the beginning of 2000.

In the light of this, this chapter examines the policy towards apprenticeships being followed in different parts of the EU, as well as towards vocational education in general and towards strengthening the links between education institutes and enterprises. Apprenticeship is interpreted in a wide sense in the chapter, to include the different structures and types of work-linked training which have been established or are being developed. The extent of participation in such programmes in relation to demographic trends is also examined. The chapter also considers obstacles to the growth of apprenticeships posed by sectoral trends and, in particular, the shift of economic activity from manufacturing and traditional services to more advanced services. It goes on to examine the varied response in different parts of the EU to these challenges and the way that apprenticeship schemes are being modified and extended into non-traditional activities.

The chapter also looks at prospective demographic trends and, specifically, to the probable decline in the number of young people leaving school and embarking on a working career, combined with both an ageing of people in work and the growing participation of women in the labour market. These have important implications

Europass training on the promotion of European pathways in work-linked training, including apprenticeships

The Council's decision, adopted in December 1998 (OJ L17, 22.1.1999), aims to promote both apprenticeship and the mobility of people in training.

European pathways refer to any period of work-linked vocational training completed in another Member State that complies with a set of quality criteria. The criteria are agreed between the establishment where the person undertakes their training at home and the organisation that hosts the period of training abroad. The training that is undertaken abroad is then regarded as an integral part of the course being followed in the home country and, as appropriate, counts towards any qualifications that will be acquired.

European pathways promote cooperation between different organisations and businesses in Member States by bringing them together in a partnership to agree on the objectives of the training, its content, duration, methods and monitoring.

To provide greater visibility and transparency of the training periods spent abroad, a standard document has been drawn up. The document provides the personal details of the trainee, information on the training they are undertaking, including the European pathway, and details of training periods abroad. Europass training will be available from 1 January 2000.

for the future development of apprenticeships, as well as for vocational training more generally.

Finally, the chapter examines measures which have been introduced in Member States to encourage such cooperation outside the area of apprenticeships and to increase the practical workplace content of education and vocational training programmes.

Work-related vocational training

As emphasised in previous chapters, there is a common recognition across the EU that the career prospects of young people depend increasingly on a good general education, which extends beyond compulsory schooling and which gives a firm understanding of basic principles in a range of areas and, perhaps most importantly, a capacity to continue learning.

Accordingly, there have been increasing efforts in all Member States to expand the number of young people remaining in education after compulsory schooling. These efforts, however, have been accompanied by a growing emphasis on the vocational relevance of what is taught. This reflects the increasing importance attached to economic factors in the development of education and initial vocational training systems and, more specifically, to labour market needs in the design of courses and in the choice of options available to students. It also reflects a general concern to expose students in both upper secondary and tertiary education, whether they are following a general or more vocationally-oriented option, to business practices and some work experience.

Attempts have been made to increase the involvement of enterprises, not only in helping to provide practical work experience, but also in the design of teaching programmes and in the general formulation of vocational training policy. While this is beneficial in establishing a link between what is taught and the careers that young people are likely to follow when they complete their studies, there are also possible dangers. In particular, it might lead to the interests of enterprises being accorded too much weight in the design and selection of courses in relation to the long-term interests of students, including their development as individuals in society as well as their prospects in the labour market. The programmes on offer might, therefore, overly reflect the prevailing pattern of labour market needs relative to the prospective pattern in future years and perhaps include an excessive amount of practical content, which might become quickly out of date. At the same time, employers are increasingly emphasising the importance of the acquisition of general rather than — or, more accurately, as well as — specialised skills which tends to counter this risk.

The involvement of enterprises is most directly relevant, and necessary, in relation to apprenticeships, which paradoxically have been accorded increased importance throughout the EU at the same time as greater stress has been put on a good general education. Indeed, expansion of apprenticeships or similar schemes is generally regarded — and presented — by governments as an important part of the solution to improving the employment prospects of young

people. This is, in part, a response to their apparent success in countries like Germany, Austria and Denmark, where the dual system is firmly established and where there is a strong emphasis on giving everyone a chance to acquire the vocational qualifications needed to pursue a worthwhile career. In these three countries almost all young people who do not go on to upper secondary level general education after compulsory schooling go into apprenticeships.

The widespread policy of seeking to expand apprenticeships, however, has to contend with the ongoing shifts in the structure of economic activity. These shifts are reducing the numbers employed in manufacturing and traditional craft-based sectors and, more especially, in the more basic activities within these sectors as well as in services. Consequently, there is a significant downward trend in employment opportunities in most of the areas where apprenticeships have traditionally been concentrated. They also have to contend with the fact that in many Member States apprenticeships are separated from the upper secondary and tertiary education system as such and it is, accordingly, often difficult for those pursuing this option to transfer to a general course of study or even to a vocational programme within the mainstream system.

The expansion of apprenticeships is part of a more general policy across the EU of encouraging young people to opt for vocational education programmes at both upper secondary and tertiary levels. There have been conscious efforts to raise the esteem with which such programmes are regarded and their prestige among both young people deciding the educational options to take and employers looking to take on new recruits. Such efforts have to contend not only with the shifts in economic activity towards jobs demanding high levels of general education but also with the uncomfortable fact that the earnings potential of those who choose vocational options, as noted in Chapter 2, seems to be significantly less than for those opting for a general programme of study.

Nevertheless, development of apprenticeships is an important part of employment policy in the EU. It is a prominent feature of the national actions plans for employment (NAPs), produced annually by Member States as part of the European employment strategy. In both 1998 and 1999, work-linked training was commonly put forward as a key to enhancing the employability of young unemployed people. More generally, as underlined in the NAPs, there is a strong call from those closely concerned to make education and training at all levels more relevant to labour market needs. Introducing practical work experience into the courses provided is seen as a way of achieving this and as one of the perceived benefits of work-linked training (see Box).

The benefits of work-linked training

There are a number of reasons why work-linked training, and particularly apprenticeships, provide suitable preparation for the pursuit of a working career in the modern economy:

(a) the contract of employment for apprentices provides a ready-made 'partnership' between the employer, the trainee and the training provider, which is a facet of education frequently highlighted as being of importance. In its more refined and developed form, the apprenticeship system is a platform for social partnership, as encouraged in the 1999 employment guidelines (guideline 4) as a key aspect of the European employment strategy;

(b) according to researchers, it is a practical way of introducing people to 'communities of practice', or a social environment in which socialisation and the transfer of tacit skills, which are abstract but essential elements of training not easily transmitted in the formal classroom setting, can occur. This is particularly important at a time when initial training is criticised by employers as not being more relevant to labour market needs;

(c) work now consists of processes rather than specific tasks and the kind of knowledge that this requires can only be acquired in the workplace. Apprenticeships accordingly enable theory and practice to be integrated and non-formal learning to be combined with formal tuition.

Apprenticeship systems

Apprenticeships are a traditional way of linking vocational education and training with the world of work which have successfully survived in Europe for centuries, beginning with the old guild system and developing in other parts of the world as these have industrialised. In

Europe, their form is still evolving, though at a differing pace in different countries. In this respect, countries can be divided into different groups, though not in any hard and fast way. Denmark, for example, has a strong apprenticeship system with social partner involvement on a par with Austria and Germany. It could equally be argued, however, that the Danish system, unlike that in Germany and Austria where enterprises tend to be at the centre, has more in common with an integrated school-based model with commercial and technical colleges at the core. This is also true of other Scandinavian countries, such as Sweden, where apprenticeships are much less common, but where a 'new modern apprenticeship model' is being developed within the framework of upper secondary school-based education, which is due to become a permanent feature from August 2000.

In the southern Member States, apart from Portugal where individual occupations covered by apprenticeships are regulated separately, apprenticeship arrangements are largely ad hoc and the number of young people participating is very small, though it is rising in Italy where new legislation has recently come into force.

In the UK, governments have toyed with a number of different kinds of scheme since the 1970s when there was a dramatic reduction in apprenticeships associated with large-scale job losses in traditional industries and the virtual suspension of recruitment in these. So-called 'modern apprenticeships' (see below) are now being consciously developed by government and are attracting increasing numbers of young people, though from a relatively low level. Compared to the UK, the relative number of young people opting to take up an apprenticeship is significantly higher in France, the Netherlands and Ireland. Nevertheless, it is still well below the level in Germany, Denmark and Austria, and the majority of young people take the school-based route.

Development of varied forms of work-linked training

Although apprenticeship is the most structured and best-established form of work-linked training, it is by no means the sole means of combining practical workplace tuition with formal school-based learning. Apprenticeships are still most deeply rooted in the craft sector from which they developed and, perhaps for this reason, in many countries alternatives have been devised based on traditional training arrangements or existing schemes in place.

France is perhaps the best example of a mixed vocational education system. Alongside apprenticeships, the vocational baccalaureate has been developed over time for students in upper secondary school who intend to go straight into a job after completing their programme of study rather than going on to university or further study. It involves 16 to 20 weeks on-the-job training over a two-year period in addition to college-based tuition. Other countries have followed this example. In the UK, the GNVQ (the general national vocational qualification) has been introduced to provide a comparable certificate to young people pursuing a vocational rather than an academic course of upper secondary education, in Ireland the applied leaving certificate, and in Sweden, 14 vocationally-oriented programmes, in which 15% of students' time is devoted to *APU* (workplace training). In addition, in Greece, students attending post-secondary institutes of vocational education and training have a six-month practical period at the end of their courses, which they can spend in firms in a number of different industrial and other sectors of activity. In Finland, it has been agreed that all upper secondary school students should be able to have at least six months of workplace training. The question now is how to create enough places to achieve this objective.

France also provides leading examples of schemes to enable slightly older people to obtain a vocational qualification or to acquire additional skills if they already have completed a course of vocational education. These include the:

(a) *contrat d'orientation* (guidance contract) for young people aged 22 and over who do not have a vocational diploma and who have not completed upper secondary general education;

(b) *contrat de qualification* (qualification contract) for young people under 26 so that they can supplement their initial education by job-related training to give them a better possibility of getting a job;

(c) *contrat d'adaptation* (adaptation contract), also for young people under 26 to provide

training to help them acquire the skills needed for a particular job or line of work.

All of these involve a formal contract between employers and young people. Similar schemes have been adopted in other countries. In Denmark, *AMU* is an alternating programme to prepare young people with low educational attainment and social problems for particular vocations, and a number of other schemes are organised by municipalities to combat unemployment, such as on-the-job training with public employers. In Spain, work-linked work programmes for under 25s have been developed in workshop schools (*escuelas taller*) and training centres (*casas de oficios*), and the new employment workshops programme (*talleres de empleo*) has been created for those of 25 and over. Similarly in Italy, the *contratto di formazione-lavoro*, the work-training contract, has been introduced to provide work-based tuition for up to two years and in Portugal, the *PIJVA*, for integrating young people into working life.

Participation in alternance programmes of education

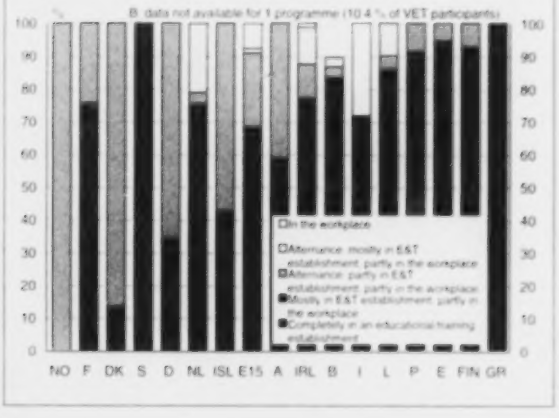
There are marked variations across Europe in the importance attached to combining classroom tuition with practical workplace experience. At one extreme, all participants in vocational education in Norway in 1995–96 were enrolled in such alternance — or on-and-off-the-job — training programmes and in Denmark, almost all were (87%) (Graph 44). At the other extreme, under 10% of participants were enrolled in alternance schemes in Belgium, Spain, Portugal and Finland. In between, almost two-thirds of those in vocational training were in alternance schemes — in the dual system — in Germany, around 57% in Iceland and over 40% in Austria, while the proportion was just under a quarter in France, the Netherlands and Ireland.

In all three of the countries with the largest proportions in alternance schemes, all participants had formal contracts of employment with the employers responsible for providing workplace training. In Iceland and Austria, where the relative numbers involved were also much higher than elsewhere, most of them were apprentices with employment contracts (Graph 45).

However, it should be emphasised that the distinction between alternance schemes and other forms of vocational training in which workplace training is involved is by no means clear-cut. Differences in the relative scale of the two between countries, as reported in statistics, may, therefore, be the result as much of classification differences as of real differences in the kinds of programme in place. Accordingly, it is perhaps more enlightening to consider the division between training in education or vocational training establishments and the workplace in respect of vocational education as a whole rather than simply what happens to be classified as alternance schemes.

In Denmark, Germany, Austria, Norway and Iceland, where participation in alternance schemes is highest, very few of those in other vocational training programmes tend to spend any of their time in workplace training. In France and Sweden, on the other hand, the great majority of those participating in vocational training who are trained mainly in education or training establishments spent 10 to 25% of their time in work-

44 VET participants by place of training, 1995-96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100
90
80
70
60
50
40
30
20
10
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In the workplace
Alternance: mostly in E&T establishment, partly in the workplace
Alternance: partly in E&T establishment, partly in the workplace
Mostly in E&T establishment, partly in the workplace
Completely in an educational training establishment
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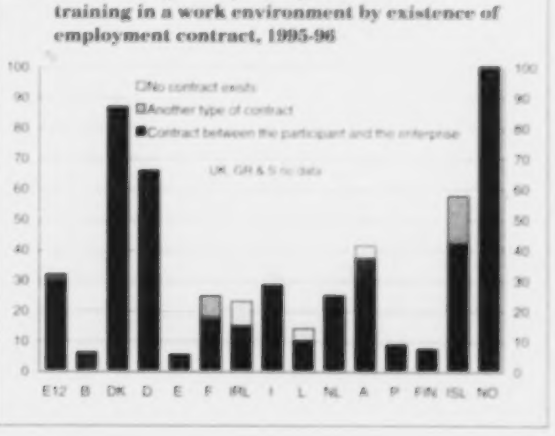
45 VET participants spending at least 25% of training in a work environment by existence of employment contract, 1995-96



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place training in 1995–96, while in the Netherlands, more than half did (Graph 46). In these three countries, therefore, most participants in vocational training were trained in the workplace for a significant part of the time (in the Netherlands, about the same proportion as in Germany, in France, 93% and Sweden, 77%). Similarly, in Ireland (40%), the proportion was only slightly less than in Austria (47%).

In the rest of the EU, however, only a small minority of participants in vocational education spent more than 10% of their time being trained in the workplace in 1995–96, none of them in Greece and under 15% in Spain, Portugal, Finland and Luxembourg. In Italy, those participating in vocational education spent their whole time either in a college or other training establishment (72% in 1995–96) or in the workplace but not alternating between the two.

Participation in apprenticeships

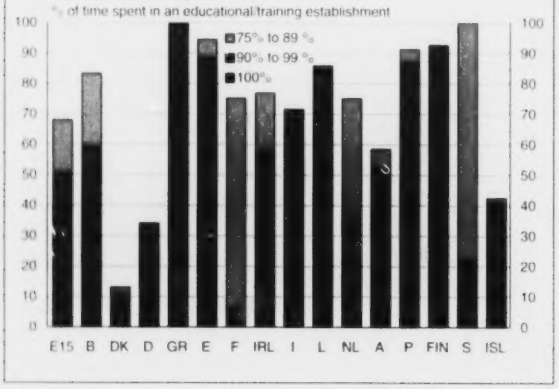
There is widespread emphasis, as noted above, on the importance of apprenticeship schemes across the EU as a means of improving employability, particularly of young people. This, however, is occurring against a background of structural change in which traditional apprenticeship schemes are tending to become less relevant and in which, accordingly, there is a need for them both to be extended into other areas and for the design of schemes to take explicit account of the changing technical content of jobs.

In Germany, for example, the number employed in craft and related trades and as plant and machines operators declined by 2% a year in the six years 1992 to 1998 (European Commission, 1999a). While this decline has been accompanied by an expansion of jobs in basic services, such as retailing or hotels and restaurants, these jobs are, for the most part, very different in kind from those in manufacturing. Moreover, the number of such jobs has increased by much less than jobs for managers, professionals and technicians, typically demanding a higher level of educational attainment than is usual among apprentices.

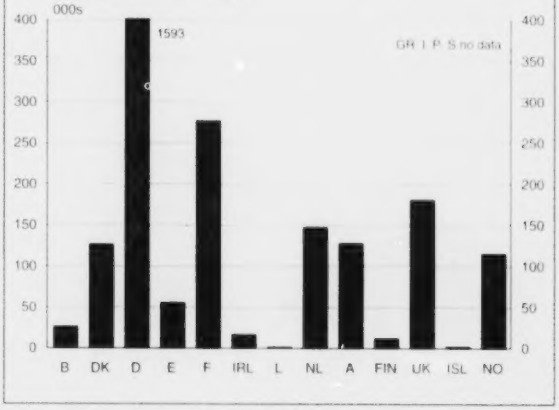
The data available suggest that over 2½ million young people in the EU in 1995–96 were enrolled in apprenticeship schemes (no data are available for Greece, Italy, Portugal and Sweden, which implies that the true figure was possibly around 3 million) (Graph 47). Over 1½ million of these were in Germany. Although it is difficult from the data available to put these numbers into perspective and bearing in mind some participants will be outside the age group, 2½ million represents some 18% of the number of young people aged 16 to 19 in the EU (excluding countries for which no data are available), while the 1½ million in Germany represents some 46% of the population in this age group.

The latter percentage is somewhat higher than in Austria (37%), but lower than in Denmark (49%) as well as in Norway (54%). On the other hand, the number of apprentices in France and the UK was well under 10% of 16 to 19 year olds in 1995–96 and under 5% in Spain, Belgium and Finland. In France, however, as indicated above, almost all of the many more undertaking a vocational education programme received over 10% of their training in the workplace.

46 VET participants mainly in education/training establishments by degree of contact with work environment, 1995-96



47 VET participants enrolled on apprenticeship programmes, 1995-96



While most of the young people undertaking vocational education and training in 1995–96 in Denmark (87%), Germany (66%) and Norway (100%) were on apprenticeship schemes and over a third in Austria (37%) (and 41% in Iceland), in the EU as a whole (or at least in those Member States for which data are available), the figure was less than 20% — in Belgium, Spain, Finland and the UK, well under 10% (Graph 48). Moreover, as also indicated above, relatively few of those in other forms of vocational education in the first three of the latter four countries (there are no data for the UK) received much training in the workplace.

There is, in addition, some variation between Member States in the amount of time spent by apprentices in the workplace as opposed to an education establishment and, therefore, in gaining practical experience as against receiving formal tuition. In the countries where apprenticeships are most important, in Denmark, Germany, Norway and Iceland, all or almost all of those being trained spent between 50% and 75% in the workplace, which was also the case in France (Graph 49). In these countries, therefore, 25 to 50% of vocational training received was in colleges or similar institutions and, accordingly, was perhaps directed more to teaching general principles rather than specific techniques. In Austria, on the other hand, as well as in the countries where apprenticeships were not so important — the Benelux countries, Ireland and Finland — 75% or more of vocational training took place in the workplace, leaving comparatively little time for the teaching of general principles.

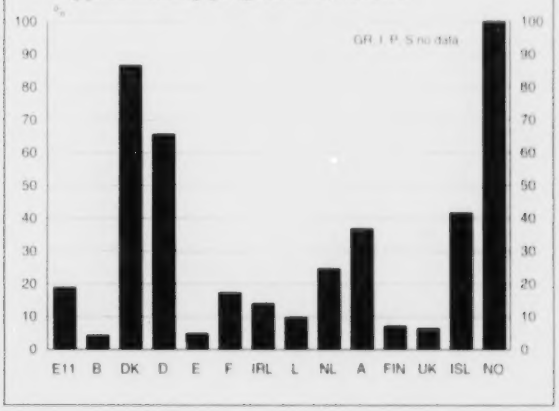
The only country where the division of time was biased towards learning in education or training establishments rather than the workplace was Spain, where almost all apprentices spent between 50 and 75% of their time in the former, though only 5% of those in vocational training were in apprenticeship schemes and very few of the other 95% spent any significant amount of time in the workplace.

Sectoral coverage and limitations

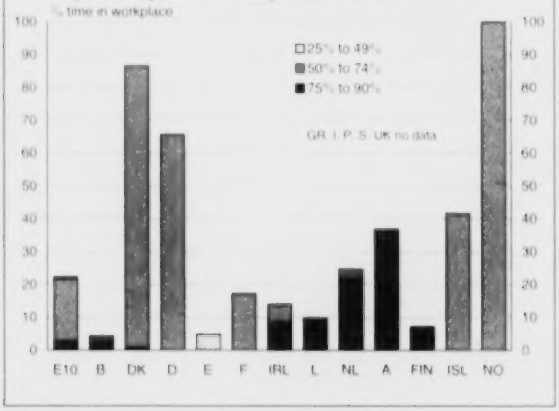
The largest increase in apprenticeships in recent years has been in the service sector, notably in business and financial services although also in the care sector and hotels and restaurants. This growth, however, has not kept pace with labour market developments. While jobs in information and communication technologies (ICT) are expanding rapidly throughout the EU, apprenticeships in this area are still relatively scarce. This may be because the traditional nature of apprenticeships is not suited to training for ICT jobs, though such training undoubtedly requires a mix of classroom teaching and practical tuition geared towards specific applications.

There has been a growth of apprenticeships in ICT and media activities in Austria and Germany as the dual system has been reformed specifically with these sectors in mind. Similarly, in Finland, the redesign of apprenticeship schemes during the 1990s has succeeded in boosting numbers in technology-related areas, which now attract substantial numbers of new entrants. In the UK, a large proportion of modern apprenticeships are in services, with a growing number in telecommunications. On the other hand, in Sweden, the present plan is for apprenticeships to be concentrated in traditional craft areas.

48 Proportion of VET participants enrolled on apprenticeship programmes, 1995-96



49 VET participants on apprenticeship programmes by time spent in workplace, 1995-96



Sectors and occupations most frequently covered by apprenticeships, 1997-98

In order of importance

Belgium	retail	construction	personal care
Denmark	commerce	metalworking	construction
Germany	motor mechanic	retailing	office work
Greece	hairdressing	motor electrical technician	plumbing and heating
Spain	services	industry	construction
France	agri-food industry	trade and distribution	personal services
Ireland	hotel and catering	electrician	carpenter/joiner
Italy	retail	commerce	manufacturing
Luxembourg	commerce	personal care	construction
Netherlands	motorised vehicle engineering	trade	electrical engineering
Austria	trade	carpenter	motor mechanic
Portugal	electrical trades	services	metallurgy/ metalworking
Finland	technology and transport	administration and commerce	hotel and catering
Sweden[1]	graphic sector	process industry	child and health care
UK	business administration	engineering	retailing

[1] Based on experimental pilot projects.

Source: NiCheallaigh, 1999

At the same time, apprenticeships are often criticised for their failure not only to provide training in skills for newer types of work but also to prepare people to take on managerial responsibilities or to become self-employed. An aim of the UK Government is for entrepreneurial skills to be taught in schools. In Germany, there is also awareness of the importance of this and the Federal Government is set to take action to ensure that the dual system prepares young people to become self-employed and set up their own businesses. In Finland, special apprenticeships for creating and operating small businesses are being introduced, while in Belgium, they have existed for some time. (VIZO, the Flemish institute for training in the handicraft sector, has designed a new scheme under which, from July 1999, young people of 18 and older who have finished school can combine practical training in a company with a course on entrepreneurial skills in a VIZO centre. It is hoped to attract some 4 500 participants.)

In a number of countries, however, there appear still to be skill shortages in sectors where apprenticeships are traditionally strong — in construction, for example, in the UK, Ireland and Belgium according to recent surveys, though in Ireland, because of the high rate of economic growth, the intake of apprentices in construction (electricians and carpenters, for example) has risen markedly in recent years. In the UK, skill shortages are reported in the engineering industry in which the number of participants in modern apprenticeships is among the highest.

According to the latest data available on the sectors and occupations most frequently covered by apprenticeships (see Box) the three most important sectors

for apprenticeships across the Union as a whole seem to be commerce, construction and engineering.

Opening up apprenticeships

Apprenticeships in many Member States remain extremely compartmentalised and rigid in terms of their structure and the content of what is taught, with trainees in a particular trade or occupation for the most part going through an identical and meticulously-defined curriculum irrespective of the company in which they work. This contrasts with the tendency for other forms of vocational training to be become more individually tailored.

In Denmark, compartmentalised apprenticeship paths have been blamed in part for the high dropout rates among trainees because they lack transparency and confuse young people — there are 83 separate options, which is still many fewer than in Germany. From mid-1999 in some schools, the number of vocational training programmes for new entrants will be reduced from 83 to seven for an experimental period. In Germany, there is continuing debate as to whether apprenticeships are tied too much to one specific 'regulated occupation' instead of providing more generalist training applicable to a range of different jobs over a wider vocational area. Even in sectors in which apprenticeships are relatively new, there is a concern among German trade unions (DGB) that some of the newly-developed regulations might result in over-specialisation.

The trend in some respects is towards reducing rigidity so that the needs and interests of both companies and apprentices can be better taken into account. Programmes are becoming more modular in nature (as in the Netherlands, Finland, Ireland and the UK), which enables vocational training to be tailored more to individual needs as well as for opening the way for older people to take up apprenticeships.

Conditions of entry, age limits and older trainees

Completion of compulsory schooling is usually a precondition for entry to an apprenticeship, but there are still a few countries where this is not the case. In these, a preparation or pre-apprenticeship course is generally provided (as in Austria, Luxembourg, the Netherlands and Portugal) to bring education up to the desired level.

In many countries, apprenticeships are regarded as the appropriate alternative to upper secondary general education for weaker students or those with more practical than academic aptitudes. In the UK, for example, modern apprenticeships appear to have been a success in respect of 16 year-olds leaving school but a comparative failure in the case of slightly older people of 18 or over who have completed upper secondary level education, who can pursue an accelerated programme. On the other hand, in Ireland, most apprentices had obtained their upper secondary school-leaving certificate, but disadvantaged groups were under-represented.

Nowadays, in many countries there is no upper age limit for entry to apprenticeships and older as well as younger people are encouraged to take them up. In Norway and Finland, shorter apprenticeships are available for those with and without jobs who wish to fill gaps in their know-how or to gain formal recognition of the skills and knowledge they have acquired during their working lives. In Ireland, on the other hand, lengthy apprenticeships and rigidity of access to traineeships were criticised in a recent ESF report as obstacles to participation of older people.

In France, a second five-year 'progress contract' was agreed in 1999 between AFPA (the national association for the training of adults in France) and the government for the period up to 2003, with the aim, among others, of establishing individual training contracts between AFPA and unemployed people to regulate entry to vocational training programmes and to increase the number of adult participants. In Luxembourg, there are similar back-to-work traineeships for unemployed adults, as there are in the UK.

The wages typically paid to trainees, however, are a potential problem where older people are involved, which is major reason why they were excluded from apprenticeships for so long, and it remains the case that they are more attractive to those who are unemployed and in receipt of unemployment benefit than to those in work.

Tertiary education

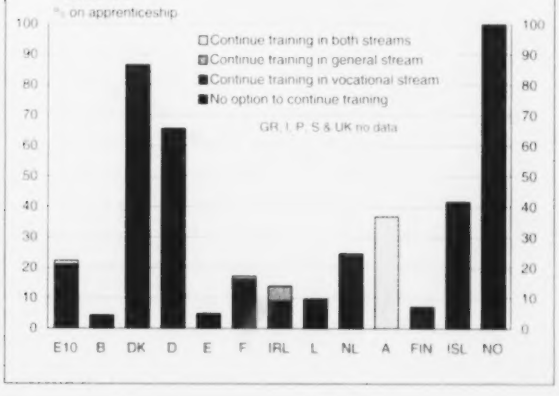
There are widespread demands for more workplace, or work-linked, training to be introduced into university education. In many professions, such as medicine and law, but also library service or accountancy,

people cannot qualify without a certain amount of on-the-job training, sometimes an extensive amount. In a number of modern universities, such practical training or experience is becoming an integral part of the courses offered. In the UK, there are plans for graduate apprenticeships to be jointly designed by national training bodies and universities or colleges in four pilot sectors. Some industries in a few countries have also set up their own universities because of the lack of action on the part of established ones, though this is more common in the United States than in Europe.

Work-linked training at non-university tertiary level institutions is much more widespread. It is particularly prevalent in the Netherlands, where the option exists in higher vocational education (*HBO*) of combining work and formal learning in various ways, with close links being established between colleges and enterprises. Tax relief for each student recruited provides an incentive for employers to participate, and a special measure was introduced in 1996 to enable the final year to be substituted by working for up to three years in a small or medium-sized enterprise. In Sweden, a new form of post-secondary advanced vocational training, *QVE*, in which a third of tuition time is spent in the workplace and launched as a pilot project in 1996, is being extended. Similar possibilities exist in the UK and Ireland, while the extension of apprenticeship-type schemes to polytechnic education is being discussed in Finland.

There are, however, significant difficulties to apprentices progressing to higher levels of education in most parts of Europe. In Spain, as well as in Norway, few of those enrolled in apprenticeship schemes have the option of continuing their training once the scheme comes to an end. In other countries, by contrast, apart from Belgium, the Netherlands and Luxembourg, the option of continuing is open to virtually everyone concerned — or at least was in 1995–96 (Graph 50).

50 Opportunities for continuing training for VET participants on apprenticeship programmes, 1995-96



Nevertheless, in all of these countries, with the exception of Austria and Ireland, those completing apprenticeships, or still undertaking them, are restricted to continuing in another vocational training programme rather than being able to switch to the general education stream. In Austria, on the other hand, all apprentices, in principle, have a choice of either embarking on more vocational training or going on to university or an equivalent higher education establishment, while in Ireland, just over a third of them have the option of undertaking a general education course. Apart from these two countries, only in France, is this option open at all, and here it applies to only just over 10% of the relatively few people in apprenticeships.

Despite young people being encouraged to take up apprenticeships in most countries, this represents as far as they can go in terms of education and initial training, and there is a clear demarcation between those on such schemes and others in further or higher education. Apprenticeships tend to be seen as catering for those who are not capable of going on to complete a general programme of upper secondary education. The main exception is Austria, where a wider access certificate has been established to provide entry to higher education from apprenticeships and those completing medium-level vocational training. Elsewhere, however, accessibility to higher education of those initially embarking on apprenticeships and, to some degree, vocational courses generally, remains limited.

Responding to the challenges

The challenge to apprenticeship programmes from the changing structure of economic activity and the increasing technical content of jobs is being met, and apprenticeships and work-linked training are being promoted in a number of ways (see Box). In countries where apprenticeships are a major part of the initial vocational training system and where career paths are fairly precisely defined, the tendency has been continuously to define new occupational profiles and associated apprenticeships as new activities emerge, as well as to reduce the number of separate occupations which people can potentially train for. Efforts have,

Promoting apprenticeships and work-linked vocational training in selected countries

The development of alternatives to traditional apprenticeships and the decline of manufacturing and craft-based industries have affected all countries in Europe. In both Belgium and Finland, for example, there has been a failure to take up the places available.

In Belgium, the number of 'in-house' training places are being increased and the apprenticeship support structure has recently been extended, co-financed by the ESF, to cover 18 to 25 year olds.

In Finland, polytechnic-like institutes are being created in response to the shift in the pattern of economic activity. A minimum of six months on-the-job training is to be introduced into vocational education courses by the year 2000 and all programmes are to be extended to 3 years. Some 40% of the 25 000 students in apprenticeships in 1997 had previously been unemployed and the aim is to increase the proportion of school leavers in apprenticeships to 20%. At the same time, work experience is to be incorporated in all upper secondary education courses.

In Sweden, following a 5-year reform programme begun in 1992, the secondary education system is based on 16 three-year programmes, most of which are vocational. Participants spend at least 15% of their course time in workplace training and courses have been extended from two to three years to incorporate more general education.

In Norway, after the education reform in 1996, practically all secondary schools provide general education and vocational training, often under the same roof. Of the 178 000 students (50% women) in vocational education, some 83 000 were in general and business studies, 8 500 in sports and performing arts and 71 000 in vocational subjects.

In Germany, some two-thirds of young people still go into apprenticeship schemes and in 1997, for the first time since 1984, the number entering went up. It remains the case, however, that only around 20% of companies take on apprentices.

In France, of the 689 000 who went into vocational education in 1995, under 30% of them enrolled in apprenticeship schemes. The aim is to offer alternance training and apprenticeships to 450 000 young people a year by 2001. Courses on entrepreneurial skills have been included in the curriculum in some places.

In Portugal, the aim between 1997 and 2002 is to double the number of young people in the apprenticeship system, with a 20% increase in 1998 alone.

In Ireland, the number of new entrants to apprenticeships increased from 3 000 in 1994 to 5 000 in 1997 — around 10% of those leaving school. However, relatively few young people pursue initial vocational training — only 17% of 15–19 year olds as compared with an EU average of 29%, though unlike in most other Member States, over half were women. Only a third of those undertaking vocational training were on mixed courses where school-based tuition was combined with work experience.

In Italy, a third of employees aged 19-24 in 1997 were in apprenticeships or had work-training contracts and the number was expected to increase in 1998. At the same time, apprenticeships have been extended to a wider age group (16 to 24) and a wider range of businesses.

In Luxembourg, the *brevet de technicien supérieur* (BTS) was introduced in 1992 as a two-year course at a higher level than technical secondary education. It combines course-work and working in a company (16 weeks over two years). The number taking the course has risen rapidly, particularly among non-residents.

In the Netherlands, the *Adult and Vocational Education Act* (WEB) was implemented at the beginning of 1996 to increase the availability of training programmes and to achieve greater coherence in the different forms of secondary vocational training, enabling training to be tailored to individual needs.

In the UK, *Modern Apprenticeships* were introduced nationally in 1995, with the aim of increasing the number of 16–17 year-olds achieving a minimum level of qualifications, and developed in partnership with Training and Enterprise Councils and National Training Organisations, the function of which is to define occupational standards and advise on the key skills required. In Spring 1998, there were 120 000 young people in such apprenticeships, 39% of whom were women. However, the number entering each month began to fall in 1998 with the introduction of the *New Deal*, enabling employers to take on the same people at reduced cost without the obligation to provide a similar level of training. Apprenticeships were supplemented by the similar *National Traineeships*, in Autumn 1997.

aimed at a lower level of achievement, the hope being that the two schemes would increase the proportion of participants moving into a job at the end of their training as compared with the former *Youth Training* scheme.

therefore, been made to establish more broadly-defined, generic apprenticeships (and occupations), such as in audio-visual electronics, computer systems and manufacturing technology, as opposed to ones which are restricted to particular sectors or parts of manufacturing. This is part of a long-term trend in this direction (which, for example, saw the number of occupational profiles in Germany reduced from 901 in 1950 to 377 in 1990, while in 1998 alone 19 trades were modernised and 11 new trades created).

A further response has been to revise curricula and to try to provide a more thorough grounding in both theory and practice. This has meant increasing the time spent at school rather than at the workplace on general rather than job-specific tuition and (as in Austria, for example) to include courses on computing — or information technology — foreign languages and communication skills in different programmes. It has also led to curricula becoming 'tree-like', with a common core of general principles and specialisation not occurring until relatively late in the programme, and to the development of modular courses, an approach which is akin to the notion of key qualifications described earlier. In addition, it has encouraged closer cooperation between enterprises providing practical training and colleges or similar establishments providing the counterpart theoretical teaching.

Nevertheless, while increasing attempts have been made to promote apprenticeships, especially in countries where they are less developed, the number entering apprenticeships has tended to decline, especially in countries where they have been traditionally important, such as Austria (where the number has fallen significantly) and Germany (where the number fell by 15% over the 1980s, though this was less than the fall in the number of 15 to 19 year-olds, and where it has continued to fall over the 1990s, at least up to 1997, despite growth in the numbers leaving school). These falls reflect in part the growing number of young people opting for a general rather than a vocational education, which has led to moves to develop a more vocationally-based alternative to traditional university education, as noted above, and to attempts to accord vocational education the same esteem as general education. There remains, however, some doubt in most countries as to whether young people pursuing vocational courses are doing so by choice or mainly because they were unable to gain entry to a general upper secondary education course and to progress from there to university. At the same time, even in countries where apprenticeships are of relatively minor importance and where they tend to be confined to craft trades (in Belgium, for example, two-thirds of apprenticeships are in the small business sector), there is a growing concern to expose young people to practical business experience, at least for short periods of time, and to elicit the support of enterprises in this.

However, there remain a number of ways in which apprenticeships and work-linked training might be developed (see Box). In a number of Member States, there is relatively little involvement on the part of enterprises and little opportunity for students to gain practical experience in the workplace.

Apprenticeships and demographic trends

The perceived advantages of apprenticeships and efforts made to promote them, however, cannot be considered in isolation from demographic changes that may have a profound affect on their development. Increased participation in education and initial vocational training beyond compulsory schooling over past years has occurred in the context of declining numbers of young people in the age group concerned. In the years 1990 to 1997, the number of 15 to 19 years-olds in the EU fell by an average of almost 1½% a year and the number of 20 to 24 year-olds by 2% a year (Graph 51). Only in Ireland did the number in these two age groups increase significantly over this period (by just over ½% a year and 1½% a year, respectively). The number of 15 to 19 year-olds, however, also went up slightly in Germany following a substantial decline during the 1980s (by 3% a year). The reduction was especially large in this age group in Italy, where it averaged almost 4% a year over the period, as well as in Denmark, the Netherlands, Spain and Portugal (around 2% a year in each case).

These differences in demographic developments imply that it has been less costly in the latter group of countries to achieve the increase in participation that occurred than elsewhere in the EU. In contrast, in Ireland and Germany, as well as in Greece, where the

number of 15 to 19 year-olds fell by less than ½% a year and where the number of 20 to 24 year-olds increased slightly, achieving this aim has involved significantly higher levels of public expenditure.

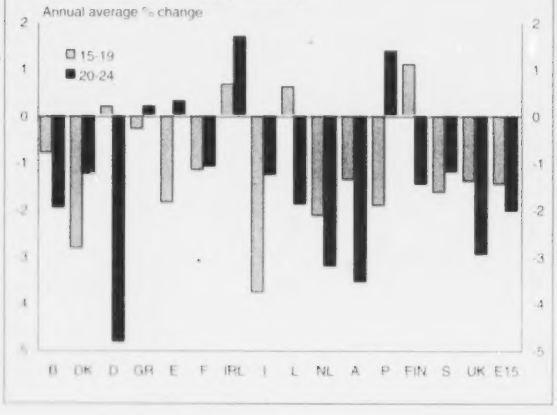
Over the next few years, these trends are set to continue in the southern Member States — though in Greece, unlike in the past, the number of both 15 to 19 year-olds and 20 to 24 year-olds is likely to fall markedly — whereas in a number of northern Member States, including Germany, significant growth in the numbers in these age groups is anticipated. On the latest Eurostat estimates, the number of young people aged 15 to 19 in Greece, Spain and Portugal, is projected to decline by 3½–4% a year over the period 1998 to 2005 and the number in the 20 to 24 age group by almost as much (Graph 52). A substantial decline among 15 to 19 year-olds is also forecast in Ireland (almost 3% a year), where the number in this age group has grown in the past, as well as in Italy (2% a year), where it is coupled with an even larger fall among young people in their early 20s (averaging 3% a year). In all of these countries, these prospective falls in number will make it somewhat easier — at least, in terms of costs — to continue to increase the rate of participation in vocational training and in further education beyond basic schooling.

In stark contrast, in Germany, as in Denmark, Sweden, the Netherlands and the UK, the number leaving compulsory education over the next few years is set to rise — between 1998 and 2005, the number of young people aged 15 to 19 increasing by 1% a year in Germany as well as in the Netherlands and the UK and by almost 2% a year in Sweden — while in Austria, it is set to remain broadly unchanged. In the former group of countries, therefore, places at upper secondary level and apprenticeship opportunities need to be increased to match, to prevent participation from falling (in Germany, in 1998 alone, some 25 000 new training places were required to match the growth in demand). The policy aim in these countries, however, as in other Member States, is to increase participation and to reduce the rate at which young people drop out of the education system after finishing compulsory schooling or, in some cases, after they have embarked on a course of upper secondary level education or vocational training.

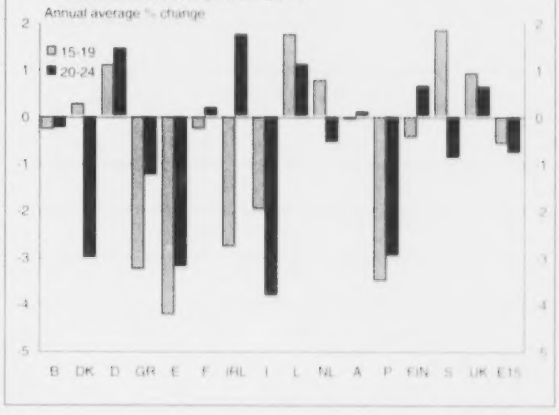
Achieving this aim will undoubtedly put a strain on public budgets in all of these countries. It will mean, in addition, that increasing numbers of places will need to be found in enterprises to provide the practical training counterpart of formal learning for those on vocational education programmes.

Beyond the next 5-6 years, however, the number of young people of school-leaving age is set to decline in all Member States, according to the latest Eurostat projections, though perhaps at a slightly slower rate than over the past few years in most countries. The number of people being trained is, therefore, also likely to fall. Although efforts can continue to be made — as they should — to improve the standard of training received and make it more relevant to labour market needs, the fact remains that there could be a growing skills shortage unless access to vocational training and retraining is increased for older age groups. The increasing accent on continuing training reflects this, as do efforts made to ensure that women who interrupt their working careers because of family responsibilities are able to update their skills when they wish to take up paid employment again. Opening

51 Change in number of people aged 15-19 and 20-24 in Member States, 1990-97



52 Projected change in population aged 15 to 24 in Member States, 1998-2005



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the way for older people to enter an apprenticeship is a further means of tackling the problem, while at the same time improving the opportunities and prospects for the individuals concerned.

Improving links between institutions and enterprises

Expanding apprenticeships represents the most obvious means of strengthening the links between enterprises and education and training institutions. Not only is the involvement of the former an essential part of such schemes, but for them to be effective in providing those being trained with the skills they need to pursue a successful career, it is important that there is a high level of coordination between the two, so that both the practical and theoretical aspects reinforce each other. It is increasingly recognised that the same consideration applies to other forms of vocational education. There is widespread concern in a number of Member States, as noted above, to give students pursuing a general education course at least some workplace experience so that they have some understanding of business practice.

This concern extends to continuing vocational training, which is mainly organised within companies, but where there have been attempts in a number of countries in recent years to involve universities and other higher education establishments much more in the provision of vocational training. In Norway, for example, universities and colleges have been responsible for providing and organising continuing vocational training in their own areas since 1995, and enterprises are able to purchase 'commissioned' courses specially tailored to their needs. In 1995, such courses accounted for around 20% of total university income.

In Austria, over the period 1994 to 1997, 500 business management centres affiliated to schools were set up, enabling students to apply their knowledge of commerce in simulated business situations, including transacting business with similar centres abroad, so giving an opportunity for those concerned to practise their language skills.

Concluding remarks

The closer involvement of enterprises in initial vocational training is beneficial insofar as it increases the relevance of what is taught and better prepares people for the jobs they will do. Indeed, in many areas, practical experience in the workplace is a necessary accompaniment to theoretical learning in the classroom for a person to be able to do a particular job competently. This has been recognised for a long time in a number of professions as well as in skilled manual vocations, but it is coming to be acknowledged as important for a much wider range of occupations.

At the same time, there are also potential risks in involving enterprises too closely in determining vocational education programmes and their content. In particular, there is a danger of overemphasising current labour market needs in relation to prospective future ones, which might possibly work to the long-term disadvantage of students as well as of the economy as a whole. On the other hand, immediate labour market needs cannot be ignored. The challenge is, accordingly, to strike an appropriate balance between short-term and long-term interests. This can perhaps be met by the joint involvement of the social partners together with government in the decision-making process, so helping to secure a balance of interests.

The challenge is particularly acute in respect of apprenticeships, which most Member States have sought to expand, largely as a means of improving the employability of young people. Such a policy, however, has to contend with the shifts in economic activity and labour demand which have been a major feature of developments over the past two decades or more and which have been associated with large-scale job losses in manufacturing and in craft industries, in particular, areas in which apprenticeships have traditionally been concentrated.

A general response to the changing pattern of economic activity, as well as introducing apprenticeships in new areas, has been to alter the content of training, to put more emphasis on general principles as opposed to practical know-how. The question, however, is how far such a development can be pushed without demanding a higher level of basic education from the young people taking the courses, who, in most cases, are doing so because they were not thought capable of embarking on a general upper secondary level education programme. Equally, to go very far in this direction requires the cooperation of enterprises, including many perhaps which have not traditionally been involved in apprenticeship programmes in the past if new, more technically-advanced options for vocational training are to be created.

At the same time, it seems evident that in many countries there is a need for less rigidity and more openness in respect of apprenticeships, especially as regards their links with other parts of the upper secondary and tertiary education system and the ability of those being trained to switch, or progress, to general courses, including those leading to university as well as to more advanced vocational education programmes. The demarcation between apprenticeships and other streams of post-compulsory education seems hard to justify given the importance of education attainment levels for the career prospects of individuals, allied to the tendency for people to develop their capacity for learning at different rates. Reduced rigidity could also perhaps be extended to the age at which people typically embark on apprenticeships, to open up the option in respect of some vocations of delaying entry until a higher level of general education has been attained. These and other issues need to be addressed across Europe if apprenticeship schemes are to develop in line with labour market requirements (see Box).

Developing apprenticeships and work-linked training — 13 points for consideration

There are many aspects of apprenticeships which policy needs to address. The following is a list of possible aims for their development:

- widen the scope of apprenticeships to include more sectors, such as information and communication technology sectors;
- provide multi-skilling and competence so that participants can continue learning throughout their lives;
- facilitate new ways of learning;
- introduce shorter traineeships for participants with previous experience;
- tailor courses to the needs of different occupations;
- increase the flow of trainees in and between work-based and school-based learning paths;
- open up apprenticeships to older people;
- link apprenticeships more closely to the general education system and increase the access of participants to further training or higher education;
- develop a satisfactory system of on-the-job assessment;
- provide adequate recognition and accreditation of non-formal learning;
- improve the training of tutors in companies;
- promote the willingness of companies to take on trainees;
- involve the social partners more in the design of courses.

Chapter 7: To develop exchanges of information and experience on issues common to the training systems of Member States

Introduction

Encouraging exchanges of information and experience is the fifth and final aim set for vocational training policy at European level in the Treaty of Amsterdam. Unlike the previous aims which deal with aspects of policy, this aim encourages the process of cooperation that underpins its development. Exchanges of information and experience have enabled the Community to act as an important reference point for the development of national policies. Discussion of national priorities at European level has enabled areas of common interest to be identified and to be used as the basis for cooperation.

Exchanges of information and experience have not only been supported between policy-makers at European level and in the Member States, but also with and between the social partners, vocational training practitioners and other specialists. Furthermore, they have taken many different forms. As early as 1964, a reporting procedure was introduced between Member States to monitor developments in vocational guidance. The European Centre for the Development of Vocational Training (Cedefop) was set up in 1975 to provide the European Commission, Member States and the social partners with a permanent source of technical expertise and information on vocational training. Exchanges of information and experience have also been encouraged through study visits, providing the opportunity for vocational training specialists from one country to visit another, and through networks. They have also provided the basis for the development of other methods of cooperation such as pilot projects, introduced in the vocational training area in 1974, and the development of transnational research.

In effect, exchanges of information and experience and the opportunity to pool ideas have provided the basis for the development of a vocational training policy at European level that has been action-oriented, providing for cooperation through practical measures.

The value of exchanges of information and experience at European level lies in the fact that, although there are considerable differences between Member States in their history, legal and institutional systems and culture, as well as in the structure of economic activity and level of prosperity, they have common values and face many common problems. The differences which exist give the EU its rich diversity, which is important not only in its own right, but as a factor in its overall competitiveness, insofar as it broadens the range of products which are produced and caters for a growing demand for variety. These differences are also reflected in the varied vocational training systems in the EU. They are a deeply-rooted part of each society and its national identity. While this variation in systems and in the underlying features of society make it difficult to transpose the policies of one country to another, it widens the range of approaches and makes the exchange of experience more fruitful.

This chapter examines the ways in which attempts are being made to evaluate vocational training policies. It considers some of the different evaluation processes and highlights some of the difficulties. The chapter goes on to look at some of the means by which the exchange of information and experience is facilitated in the EU. Finally, the chapter highlights the value-added of such an exchange at EU level in this regard. It argues that to make the most of the opportunity to learn from experience requires a clear policy framework and a systematic, yet varied approach that facilitates the compilation of information, its analysis, discussion and monitoring. It also points out that there is a legitimate European interest in monitoring developments in individual countries and in discussing the development of more effective policies for improving performance.

Evaluating vocational training programmes

A recent study of methods used to evaluate vocational training programmes in Belgium, Germany, Greece, France and Portugal identified three types of evaluation: *product-oriented*, aimed at assessing the outcome, in terms of employment in particular; *process-oriented*, concerned with the operation of the programmes themselves, with the procedures and arrangements; and *context-oriented*, focusing on the conditions and circumstances in which programmes take place (Seyfried, 1998)

In all five countries, the evaluation techniques did not sufficiently combine these three aspects together and the ways in which they interacted. In the examples of process-oriented evaluation, although most of the issues were considered, they were not usually analysed systematically, while product-oriented evaluation was mainly confined to assessing active labour market policies. By contrast, research into vocational training *per se* tended to adopt a process-oriented approach and to ignore the results achieved as regards the subsequent employment of the people trained, just as labour market policy evaluation usually neglected aspects other than these. An exception was in-house training in large companies, where efforts were often made to examine both the end product and the training process itself and what individual trainees gained from it in a wider sense than simply learning a particular skill.

Effective evaluation of vocational training has to combine both approaches and to focus not only on the learning process itself and the quality of teaching in a subjective sense, but also on the subsequent impact on employment.

Evaluating the effectiveness of vocational training policies

Evaluation of the effects of vocational training policies is, in all Member States, increasingly acknowledged as being of critical importance for the development of policy. However, evaluation in the area of vocational training is difficult not only because of the limitations of current methods, but also because often the objectives which vocational training is intended to achieve are not clarified. The multiple aims of many measures add to the difficulties of both quantifying them and measuring progress towards achieving them. These difficulties are compounded by the politically sensitive nature of the exercise, given the central role played by education and vocational training in the determination of individual life chances.

The problems are also compounded by a lack of agreement on the approach which should be adopted to evaluation and the methods and indicators which should be used in the process. In part, this reflects the fact that there are a number of dimensions to education and training which need to be considered at the same time to form an overall judgement about performance. In particular, programmes ought to be assessed not only in terms of their content, how they are taught and the competence of the teachers, but equally in terms of the outcome, as regards the success or failure of those completing the course to find suitable employment and their contribution to value-added in the companies which employ them (see Box).

More generally, it can be argued that the effectiveness of vocational training systems in different countries is ultimately judged by reference to the competitiveness of the economy and the number of people in employment. This is the approach which economists tend to adopt and a number of research studies have been carried out assessing the effect of vocational training in different countries in these terms (see, for example, OECD (1994), Centre for Educational Research and Innovation, OECD (1998), Barrett, A., Hövels, B., et al. (1998), Green, F. (1997)).

Studies undertaken at the enterprise level have generally found that the companies which pursue a more active training policy, invest more in training their employees and have access to a better educated and trained workforce tend to have higher levels of productivity and, at the same time, higher rates of net job creation (see Box).

The studies on the effects of vocational training programmes of governments have produced more mixed results. Many of these, however, have tended to concentrate on labour market measures rather than on mainstream vocational training programmes. In most cases, they have failed to detect significant positive effects on overall employment of increased training efforts. Although the short-term effect of such measures has usually been found to be positive, in the

Some results of studies into the effect of vocational training on employment and productivity

The results of a number of research studies conducted at the enterprise level on the effects of vocational training, and of having a more, rather than a less, well-trained workforce from which to recruit, are summarised in the table.

Author	Study	Country	Outcome
Laulhé, P. (1990)	Survey of employees in 1985	France	Employees who received some employer-sponsored training were less likely to become unemployed and more likely to experience occupational mobility
Danish Ministry of Business and Industry (1996)		Denmark	Enterprises that introduced process or production innovation accompanied by training, in many cases in response to intense competition, were more likely than non-innovators to report (for 1990-92) a growth in output, employment and labour productivity.
Mason et al (1994)	Matched sample of biscuit manufacturers	France, Germany, Netherlands and UK	Higher levels of productivity in Germany, France and the Netherlands were attributable to the lower levels of qualifications of UK workers and less effective on-the-job training which resulted in a less flexible workforce.
Barrett and O'Connell (1997)	Survey of 200 Irish enterprises	Ireland	Investment in firm-specific training in 1993 had no measurable impact on productivity, measured in 1995. Investment in general training had a positive and significant impact on productivity over the same time period.
Groot (1994)	Survey of Dutch employers	Netherlands	On average, more training raised productivity by 12%.
Ottersten et al (1997)	Panel data set for small Swedish firms	Sweden	Training yielded long-term increases in labour demand and net reductions in costs.
Alba-Ramirez, A. (1994)	Survey of 593 Spanish firms with more than 200 employees	Spain	There was a positive impact of training on productivity (between 2-3%).
O'Mahoney (1992)	Comparison of changes in productivity levels between 1960s and 1980s	Germany, UK	The gap in productivity levels between Germany and UK was due to the lack of investment in the UK in human and physical capital and research and development.
De Koning, J. (1994)	Survey of 2,000 Dutch companies in 1988	Netherlands	Productivity could be improved by 10% if the training effort were doubled.
Elias, P. (1994)	Surveys of employers and employees	UK	Employer-provided formal training reduced labour turnover especially among women workers.

Source: Centre for Educational Research and Innovation, OECD (1998), Barrett, A., Hövels, B., et al. (1998), Green, F. (1997).

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The evaluation of training policies: some developments

In France, a battery of indicators is planned, including the monitoring of the number of long-term unemployed and RMI (minimum income support) recipients on programmes, the flow of new entrants into training courses, the proportion of employees with access to continuing training, the relative number of vocational training courses leading to a recognised qualification, the proportion of young people in employment one year and 5 years after leaving the education system and the number of people with disabilities in employment.

In Austria, the aim is systematically to monitor and analyse the experience of vocational training programmes for young people who are difficult to place. In Sweden, a commission has been set up to report annually to evaluate the effects of the reform of upper secondary education.

In Denmark, an Evaluation Institute was established in 1999 to strengthen the quality and cohesion of the Danish education system from basic schooling through to university and adult and continuing training. It is intended to contribute to the development of education and training programmes and to assure their quality, one of the aims being to assess the extent to which the initial objectives of any programme are being met.

sense that a significant proportion of those completing training courses find work afterwards, there is much less evidence on how long they remain in employment and how far their longer-term career prospects are improved. It appears that these measures have much less effect on overall employment levels and that there is a substitution effect, as some people take jobs at the expense of others. The main result, therefore, seems to be to lower the average duration of unemployment rather than to lower the overall rate. In effect, this increases the number experiencing unemployment, so distributing the burden more evenly across the work force and reducing the rate of long-term unemployment.

Assessment of the overall effects of vocational training measures is complicated not only by the need to take account of this substitution effect, but also by the 'deadweight' effects. These, essentially, relate to the possibility that some of the people finding jobs on completion of their courses would have done so anyway, even without training. In practice, therefore, the indicator being used to assess the effectiveness of the measure — the number of people moving into employment — is not necessarily a reliable one and may tend to exaggerate the success of the programme concerned. This is equally difficult to allow for explicitly in any evaluation exercise.

However, even if these kinds of difficulty can be overcome, confining evaluation solely to employment or economic factors is ultimately unsatisfactory. Although such a narrowing of focus might be more justifiable in respect of labour market measures than for vocational training in general, some account ought to be taken of the effect on individuals themselves, on their personal development and their integration into society, as well as of the wider social and cultural consequences.

Despite the growing interest in improving evaluation procedures, there is little as yet in the way of concrete proposals for achieving this. Nevertheless, there is evidence of moves in many Member States to develop indicators in this area, stimulated by the guidelines in the European employment strategy, which have stressed the need for quantitative measurement if policy is to be satisfactorily monitored. These include, for example, the proportion of the unemployed being trained (where there is an agreed target of increasing this to 20%) and the relative number of young people dropping out of secondary and third-level education. These, however, are mainly focused on the provision of vocational training and its coverage rather than on its effectiveness in achieving the objectives set for it. Simply measuring the number of people being trained or the rate of participation in vocational training says nothing about what is being taught, the standard of teaching, or the results.

In some countries, indicators are being extended further and efforts are being made to improve the evaluation of vocational training programmes (see Box).

Systems for exchanging information and experience

There is general recognition of the need to put in place more systematic means of monitoring policy development and exchanging information and experience.

Existing means of exchanging information and experience

EU-level committees

There are three different committees of policy-makers at EU level that meet regularly to discuss vocational training issues. The first is the Advisory Committee on Vocational Training (ACVT), a statutory committee, set up by a Council Decision in 1963 (63/688/EEC) and comprising representatives of the Member States, the social partners and the European Commission. The role of the ACVT, which meets twice a year, is to give an opinion on issues of importance or principle concerning vocational training and, in practice, it has delivered its views on every Commission proposal and significant policy document, such as the white paper on education and training, which has been published since then. Although it plays a valuable role in presenting the considered views of national government and the social partners, the committee's size — it has over 60 members — means that, in practical terms, it makes it difficult to debate issues in depth or to exchange information about policies and the experience of implementing them.

The second is the Directors-General of Vocational Training (DGVT), which is an informal committee, established in the 1980s and comprising those responsible for vocational training in the Member States. The DGVT also meets twice a year, but as an informal committee it provides an opportunity for a freer and more wide-ranging debate where different views can be expressed and discussed. Notes are prepared in advance of each meeting, setting out some of the major policy issues and developments taking place in the Member States. Time is often set aside to discuss policy issues in more depth. The DGVT in the recent past has, therefore, considered issues such as the links between vocational training and employment and the transparency of qualifications and work-based learning.

The third committee is the social partners' Education and Training Working Group, which is part of the European Social Dialogue. Over the last few years, it has reviewed the joint opinions of the social partners and has identified four priority aspects of education and training — vocational guidance, lifelong learning, financial resources and qualifications.

European Centre for the Development of Vocational Training (Cedefop)

Cedefop was set up in 1975 by the European Council as an independent agency charged with assisting the European Commission to encourage the development of vocational training. It supports the European Commission, Member States, the social partners and vocational training specialists by promoting exchanges of information and experience on issues of common interest. Cedefop acts as a reference centre providing policy-makers and practitioners at all levels with information on developments in vocational training across the EU. It also supports research into vocational training issues.

Cedefop has developed a number of different means of facilitating discussion of a wide range of vocational education and training issues. It operates the Community Study Visits Programme, which encourages exchanges of information and experience between experts with different backgrounds and from different countries, by enabling them to attend workshops and seminars in other Member States. In 1999, there were over 750 places on the programme, including many for experts from central and eastern Europe. In addition, Cedefop manages the Electronic Training Village (ETV) website (www.trainingvillage.gr). Launched in 1998, it has become a central platform for facilitating exchanges of information and discussion between specialists in vocational training, by means of on-line forums, conferences and directories. The ETV provides structured access to databases on vocational training and gives village 'residents' (registered users) the possibility of receiving information on a selection of topics as soon as it is available.

Leonardo da Vinci

At the European level, a wide range of activities are supported to encourage exchanges of information and experience on vocational training among a wide and diverse audience. Some of this activity is supported through programmes like Leonardo da Vinci I, which supported networking, for example in the area of vocational guidance and equal opportunities, and 'multiplier' projects to raise awareness of the material available and the results of research studies. In a similar vein, a series of seminars are planned in 2000 to disseminate the outcomes of the programme projects. Similar dissemination activities will be supported under Leonardo da Vinci II.

Other initiatives

Often in cooperation with the EU presidency country, there are a range of conferences and seminars on various topics organised throughout the EU, bringing to-

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gether people from different backgrounds and experience.

Perhaps the largest single initiative to encourage the exchange of information and experience in this area was the European Year of Lifelong Learning in 1996 which, with a modest budget of ECU 8.4 million, helped to finance over 550 projects at national and European level which, in turn, resulted in over 5 000 events taking place across the EU over the year. Its main purpose was to raise awareness of the importance of continuous learning and to stimulate debate about how vocational training systems can be organised to provide universal access to the courses they provide.

Nevertheless, there are a number of ways in which this already occurs, to some extent, in the EU. The main ones are committees of policy-makers, the European Centre for the Development of Vocational Training (Cedefop), the Leonardo da Vinci programme and other initiatives, including dissemination projects and networks, as well as other conferences, seminars and so on (see Box).

A strength of the varied nature of these activities is that they are able to reach different sections of the wide and diverse group of people interested in vocational training issues, from academics and policy advisers to practitioners responsible for teaching. A weakness, however, is that the different initiatives tend to be pursued separately and are not usually coordinated, so that the material assembled in the course of individual projects or programmes and the discussion and reflection which take place at various meetings do not necessarily feed into others. As a result, their contribution to the policy debate and their influence on policy developments in vocational and training across the EU are less significant than they might be.

Nevertheless, there have been attempts on occasion to link the various activities more closely together. For example, the conclusions of the large conference organised under the Austrian presidency in July 1998, on the development of vocational qualifications and skills, were subsequently discussed at the meeting of Directors-General for Vocational Training (DGVT). Some of the results of research projects undertaken by Cedefop, for example, in the area of transparency of qualifications, apprenticeships and key skills, have also fed into presidency conferences and DGVT meetings.

Concluding remarks

Activities facilitating exchanges of information and experience are varied and very rich. They bring together people from all over Europe — including the countries of central and eastern Europe — with varied backgrounds and experience to discuss a wide range of issues. While these contacts are valuable in themselves, it is important not to lose sight of an underlying aim of exchanges of information and experience, namely to improve the performance and operation of vocational training. This applies at all levels, to European, national, or regional policy-makers, vocational training institutions, individual trainers and other vocational training specialists. To get the best out of exchanges of information, certainly at policy level, requires a framework which identifies relevant issues and provides the systematic infrastructure to ensure the flow of the right type of information to the right people at the right time.

To establish such a framework and implement a more systematic approach requires agreement on the issues and methods in the process. In the area of vocational training it might also encompass a discussion of its overall objectives. It would also need to pay due regard to differences in national circumstances. The value-added of the EU in this regard is evident. As shown in previous chapters, it has a long history of acting as a reference point, enabling Member States to pool ideas and identify areas for debate and cooperation. Indeed, it is playing this role in respect of the European employment strategy and its annual guidelines.

As part of the employment strategy, there is ongoing evaluation of the vocational training measures used by Member States. This evaluation is based upon a range of quantitative indicators developed at European level as part of the process of monitoring progress. These indicators cover participation in vocational training, in particular in special labour market programmes for disadvantaged groups in the labour market. While the indicators in the employment strategy are useful from the perspective of the links between vocational training and the labour market, they stop well short of considering the vocational training system as a whole, or even the place of

special measures in relation to the rest of the system. As noted above, one of the problems of special vocational training measures is that they tend to be treated separately from the mainstream system.

Consequently, the framework for the exchange of information and experience provided by the European employment strategy presents only part of the story as far as vocational training is concerned. Many of the exchanges and dissemination activities organised at European level concern issues dealing with the learning process — teaching methods, certification, key skills, vocational training systems — not only the links between vocational training and the labour market, as important as they are. Issues concerning the learning process — the what, when, where and how of learning — are of increasing importance. The debate on lifelong learning has far-reaching implications as it is blurring the distinctions between initial and continuing vocational training, general education and vocational training and formal and non-formal learning. This is bringing into question the suitability of existing systems and arrangements for delivering lifelong learning. Changes in the learning process to meet new demands may redefine the meaning of vocational training. Discussions on education and vocational training are being replaced by discussions on learning, implying a more active and less passive approach. These changes may well have fundamental implications for a new architecture for vocational training — or learning — systems. They merit close examination and discussion.

It would not be possible, or even desirable, to try to coordinate all the various activities concerning the exchange of information and experience in vocational training. However, there is scope for a clear policy framework identifying the major issues, together with a more systematic means of assembling the results of the different initiatives into a coherent body of information that would be available to those concerned with policy across the EU. Such a framework could identify the links between vocational training and the European employment strategy, as well as taking account of important issues concerning the learning process and the delivery of lifelong learning. In addition, it would help to facilitate the transfer, for example, of the findings of research studies and the outcomes of pilot projects into the policy-making process. Many of the elements to implement such a framework exist. Senior policy-makers, including social partner representatives, meet at European level on a regular basis in different contexts. There are institutions that already collect information on vocational training developments such as Cedefop. In addition, results of the Leonardo da Vinci I programme, as well as its successor, should provide a rich source of new material and insights to contribute to the debate.

The value of such an exchange is all the greater given that all Member States have to respond to the effects of globalisation, the increasing pace of technological change, the changing structure of economic activity and fundamental social changes. In responding to these changes, vocational training is a key aspect as it determines, to a major extent, the skills of the workforce and, through this, influences economic competitiveness, productivity, the rate of net job creation and social inclusion. A framework for the collection of information and evaluation of experience are valuable not only so that countries can learn from the success, or failure, of policies elsewhere, but also to indicate the degree to which common European objectives are being met. The integrated nature of the European economies and the common interest in the prosperity of the EU as a whole means that there is a legitimate European interest in monitoring developments in individual countries and in discussing the development of more effective policies for improving performance.

Chapter 8: Future challenges for vocational training

Introduction

The final chapter of this report begins by summarising the economic, social, demographic and technological changes taking place across the EU which have profound and far-reaching implications for vocational training. As emphasised in earlier chapters, to respond to these effectively requires substantial changes in both national systems in Member States which deliver vocational training, as well as changes at European level to further the development of the EU economy and to increase labour market efficiency. Perhaps most importantly, it requires the establishment of lifelong learning for all.

The chapter goes on to consider the implications of developing lifelong learning on a systematic basis and the potential consequences for the content and organisation of vocational training systems and arrangements. It draws attention to a number of key issues which need to be taken into account and which touch upon all aspects of vocational training, as well as to the variety and diversity of interests involved in the development of vocational training policy and its implementation. It stresses that the effective management of change in this area requires consensus building at all levels of society.

Chapter 1 examined the role of the EU in supporting and effecting such changes. It pointed to the valuable role the EU has played in the past as a reference point for the development of national vocational training policies and for identifying areas of practical cooperation. Drawing from Chapter 1, this chapter goes on to argue that given its past role and the value of exchanges of experience between Member States, it is desirable to develop a more focused framework which clearly specifies the objectives of vocational training policy at European level. It argues that there is scope for a more systematic process providing a forum for joint analysis and reflection on experience around the EU so that the results can feed into the national decision-making process. Given the pace and nature of change taking place, it is essential to be able to identify, review, analyse and report on the key developments in the area affected most fundamentally by change, namely, the learning process itself. As the chapter points out, the elements to implement such a system already exist: the challenge lies in drawing them together.

The nature of change

The previous chapters have shown that economic, social, demographic and technological changes taking place across the EU are both rapid and far-reaching. They pose serious challenges for education and vocational training systems. These challenges must be met if systems are to equip people not only to respond to the growing demands of a knowledge-based economy and society but also to enable them to shape their future in a conscious way rather than being overtaken by events.

Globalisation of the world economy has accelerated. Developing countries have industrialised in increasing numbers. Markets have become more open. Advances in technology and communications have reduced the importance of geographical distance, making it increasingly possible to locate production in places where costs are lowest. Competitive pressures on European producers have intensified, reinforced by the single market and monetary union. Changing markets and the need to find new areas of specialisation mean the comparative advantage of European producers increasingly lies in access to a well-educated and trained work force, able to adapt to new ways of working and develop new products.

In Chapter 2, the report has shown how economic activity has shifted from basic industries to more sophisticated products and from agriculture and manufacturing to services. Technological advance coupled with globalisation has led to jobs for unskilled manual workers declining and those for non manual workers expanding, especially those requiring a capacity for reasoning and for managing and organising in addition to technical know-how. These changes have put a premium on a high level of general education, which is perceived as a key determinant of ability both to do the jobs on offer and to learn new

skills. The level of educational attainment is, accordingly, having more influence on a person's career prospects and on their life chances.

Chapter 2 also points out that economic and technological changes are taking place against a background of major demographic and social change. A falling birth rate and an increase in life expectancy have led to a decline in the number of young people coming of working age in most European countries and to an increasingly ageing workforce. The prospects are for decline in working-age population across the EU from around 2010 on, coupled with a growing number of people above the present retirement age. This puts a premium on increasing participation in the workforce and making the most of those available for employment.

At the same time, the structure of society and social attitudes are changing. Increasing numbers of women are wanting to pursue professional careers, particularly in parts of the EU where a large proportion of women have historically been effectively excluded from the labour market. Equally, it has become generally accepted that both men and women have an entitlement to a high standard of education and vocational training, irrespective of their background or where they live, and need to be given the opportunity to develop their potential and pursue a worthwhile career.

Change is posing a serious challenge to European labour markets. Unemployment has been persistently high in most parts of the EU over the past 20 years or so, and, while it is currently falling, past evidence suggests that this fall could prove short-lived.

There is widespread recognition across the EU of the far-reaching nature of the changes taking place and measures have been implemented in all Member States in recent years in response to them. Chapters 3 to 7 have shown some of the steps being taken in the Member States and at European level to take forward the five objectives of the Community vocational training policy listed in Article 150 of the Treaty of Amsterdam. In all parts of the EU, efforts have been made to raise the skill level of the workforce and its capacity to adapt to changes in job content and working methods. These measures have invariably given priority to economic and employment considerations in the development of systems of education and vocational training. But there is also universal agreement that education and vocational training have a crucial role to play in maintaining social cohesion. The aim throughout the EU has been to reduce the number of young people leaving school without qualifications and to give those who do leave the opportunity either to return or to undertake sufficient vocational training to be able to find a job and to participate more fully in society.

The previous chapters have also shown that there is general agreement across Member States that, to meet the challenges posed by change, people need ready access to learning throughout their working lives. Lifelong learning is, therefore, regarded as the key element in the future development of vocational training, and action has begun to be taken in all Member States, with the encouragement and support of the EU, to make it a reality for everyone. However, to bring this about has far-reaching implications and raises important questions about the organisation and content of training systems at present in place.

There is less consensus on the appropriate approach at European level to vocational training, beyond seeking to ensure that people are able to move freely from one part of the EU to another to work. But the European dimension is not only about facilitating the free movement of labour. In domestic labour markets, a growing number of jobs involve communication with others in Europe and outside, requiring not only linguistic skills but also a knowledge and understanding of different cultures. Harmonisation of standards in many products and services brings vocational training needs closer together. People in different Member States need to be able to meet these standards, providing scope for cooperation over curricula. This increases the importance of adopting a pan-European perspective in national vocational training and of providing the opportunity for people to study in other parts of the EU.

The issues at stake

Vocational training is the servant of many masters and is expected to play a major role in securing social as well as economic objectives. These are not incompatible, but the priorities chosen have a significant influence on the policies pursued, the part played by the different parties involved and what is expected of the system. If it is important to clarify the objectives of vocational training, it is equally important to be clear about its limitations. Vocational training can

contribute greatly to tackling the problems of unemployment and social exclusion, on the one hand, by raising the skill level of the workforce and reducing labour market imbalances and, on the other, by improving the chances of people getting a job and integrating into society. In a modern economy, vocational training has an essential part to play in this regard. But it cannot solve these problems on its own since they are not the outcome solely of inadequate education and vocational training levels, but of a complex set of interrelated economic and social factors.

As pointed out in this report, the development of lifelong learning is serving to blur the traditional distinction between initial and continuing training, between formal and non-formal learning and between general education and vocational training. Establishing a system of lifelong learning, therefore, requires a fundamental examination — and, in some cases, a basic rethink — of the role of vocational training, what it comprises, what is expected of it, how it is delivered, how it is financed and how the widest possible access to it might be achieved. This involves careful consideration of how to:

(a) define the objectives of vocational training in the context of a system of lifelong learning;

(b) clarify the role of government and, in the context of traditions, custom and practice, strike an appropriate balance between the responsibility of government, employers and individuals for education beyond compulsory schooling and vocational training;

(c) increase awareness of education and training as an investment in the future and of its potential returns and, to this end, to treat spending in this area as capital rather than current expenditure in both the public sector and company accounts. This would mean it becoming a legitimate reason for borrowing which, coupled with a better appreciation of the prospective returns, is likely to encourage an increase in the amount spent;

(d) ensure that there is a link between the content of education and training courses and labour market needs, while at the same time paying due regard to the interests of individuals by making sure that tuition is relevant to their long-term career prospects, as well as their personal development;

(e) shift the focus of initial vocational training away from teaching specialised skills and more on laying a foundation of key skills. Given the pace of technological change, key skills make people more adaptable, are applicable to a broad range of occupations and form the basis for learning, and subsequently updating, the technical skills required to do particular jobs throughout their working life;

(f) identify and define key skills, renew curricula to incorporate them and devise effective means of teaching them, since they relate not only to academic knowledge but also to personal attributes, such as the ability to communicate or to work in a team;

(g) improve the apprenticeship system by making it more relevant to both current and future labour market needs, through extending it to new areas of activity, especially in services, and increasing the theoretical, or formal, learning content;

(h) lower the barriers between the apprenticeship system and mainstream upper secondary and tertiary level education and training, so as to increase the ability of apprentices to raise their education attainment level and improve their long-term career prospects;

(i) open up the initial vocational training system to older workers, who might usefully benefit from learning new skills and obtaining qualifications needed to take up a new job, as one means of ensuring people have access to training throughout their working life;

(j) increase the access of older people to continuing vocational training so that they can update and extend their skills and, thereby, improve their chances of remaining in employment and avoid being forced to take early retirement. This, in part, involves tackling any existing prejudice against training them;

(k) increase access to vocational training for women returning to the labour market after

interrupting their working careers because of caring responsibilities, so that they have a better chance of finding a job which matches their capabilities;

(l) reconsider the operation of labour market training programmes, aimed at improving the employability of young people and others at a disadvantage in the labour market, but which, in many cases, do not enable them to acquire qualifications comparable with those obtained in the mainstream vocational training system and, therefore, still leave them at a disadvantage;

(m) establish systems of accreditation of educational attainment and vocational training which are generally recognised and which encompass non-formal learning from work experience and elsewhere as well as formal tuition;

(n) secure a wider understanding of accreditation systems across Europe, so the qualifications attained in one Member State are accepted elsewhere, to facilitate the free movement of workers and improve labour market balance across the EU;

(o) extend accreditation, as appropriate, to continuing vocational training;

(p) accommodate private sector training providers within the vocational training system and encourage innovation in working methods and the spread of new techniques;

(q) provide lifelong vocational guidance to inform people of the opportunities open to them throughout their working careers and not just when they enter the labour market for the first time;

(r) extend vocational guidance which at present tends to be confined to advising on national possibilities, to include information on openings in other parts of the EU, in terms of both jobs and vocational training opportunities;

(s) develop the European dimension generally and ensure that lifelong learning equips people for a European labour market, not just a national one, to take full advantage of the single market;

(t) improve the evaluation of vocational education and training and define quantitative indicators which can be used to measure and analyse results, enabling lessons to be learned from past experience and, accordingly, the effectiveness of policy to be improved in the future.

This list of issues which bear on the development of vocational training systems, though extensive, is not intended to be comprehensive, still less a blueprint for a system of lifelong learning. Its aim is to illustrate the wide-ranging nature of the aspects involved, from the organisation and structure of systems to participation and funding.

When the Council of Ministers in its 1963 decision outlined the ten principles for the implementation of a common vocational training policy, it foresaw the need to ensure that vocational training was adapted to meet the introduction of new technology. However, it did not envisage the far-reaching nature of technological developments or the scale of the change in vocational training which would be necessary, especially the need for lifelong learning.

It is clear that developments in vocational training have their own momentum and that the forces bearing on this differ across the EU, according to the political balance as well as historical, cultural, economic and social factors. Governments have a responsibility to influence the direction of change, to give due weight to the wider and long-term interests of both individuals and society as well as to the immediate needs of the economy and the labour market. However, they exercise only partial control over how systems change. In practice, changes to systems will be determined by the interaction of a wide range of interests, including those of employers, the social partners, trade associations, professional bodies and individuals seeking tuition, as well as of various levels of government.

The growth of continuing vocational training, the search by governments for ways of limiting public expenditure, trends towards decentralisation of responsibility to regional and local levels, and even to

individual institutions, have served to increase the number of different parties involved as well as their influence. New interest groups have emerged, such as the press and media, teacher associations, private training providers and commercial advisers, each of which have their own agenda. The development of the worldwide web adds a further challenge, offering new possibilities for the globalisation of learning which have not yet really begun to be exploited or even understood, but are a potentially powerful agent for change.

The effective management of these various interests implies a need for consensus building and partnership at different levels between all those involved, from the different layers of government through the social partners and training providers to individuals looking to be taught. If systems are to change significantly in effective ways, all those involved need to be aware of the overall strategy, the general direction of change and the objectives which are being pursued, as well as the opportunities and benefits likely to stem from achieving them. There is also a parallel need for more and better quantitative information to identify the needs of individuals, on the one side, and labour market requirements, on the other.

Irrespective of the substantial differences between systems of vocational training across the EU, the different interests involved and their relative influence, the challenge of how to respond to change is common to all Member States. How this challenge is met is of concern at EU level as well as within Member States.

Developing the *acquis*

Facing common challenges in Europe is not new, especially in the area of vocational training. In the past, challenges have been met by pooling ideas, widening national debates to include other Member States, identifying common objectives and agreeing joint action at various levels. The EU has acted as a valuable reference point for developing national policies and identifying areas of cooperation to tackle common challenges. These challenges have included, helping to integrate young people into the labour market; assisting groups at a disadvantage such as people with disabilities; supporting equality of opportunity between women and men and assisting in the adaptation to change wrought by new technology in the workplace. Indeed, action at the EU level seems to be most effective when it is concentrated on specific themes of this kind.

The EU's role as a reference point has taken concrete form through a number of policy statements. The 1963 Council decision, laying down the principles for the implementation of a common vocational training policy, was supplemented and adapted through non-binding resolutions which paved the way for practical cooperation. Council resolutions — such as the one on vocational training polices in the 1980s, agreed in 1983 — also provided a wider framework for vocational training action programmes (Comett, Petra, Force and Eurotecnet — each of which focused upon a specific aspect of vocational training). Likewise, the European Commission's white papers of 1993 on *Growth, competitiveness, employment* and of 1995 on *Education and training* helped to direct policy developments in Member States. The joint opinions of the social partners have also provided a reference point at EU level for both sides of industry to develop their approaches towards vocational training.

As outlined in Chapter 1, the emerging debate on lifelong learning encouraged the four vocational training action programmes to be merged into one — the Leonardo da Vinci programme. While this was a logical step, it had important implications for the policy framework at European level. It meant that the opportunity for policy discussion on specific aspects of vocational training that had taken place in the respective programme committees was lost. For example, under the Petra programme, there was opportunity to discuss at European level the progress being made towards realising the objective of ensuring that every young person leaving school had the chance of at least one, and if possible, two years of vocational training or work experience. Managing a large programme with a much wider scope made it difficult for such policy discussions to take place. Increasingly the focus of discussion was the programme management and less the policy issues. As a result, the role of the European level as a reference point for the development of national policies became much more difficult to implement.

Despite these problems, vocational training has remained an important issue on the European agenda because of its contribution to such areas as innovation, health and safety, the environment and citizenship, as well as employment and competitiveness.

This has been underpinned further by the European employment strategy. The employment strategy is a very good example of the European level acting as a valuable reference point in the development of policies to tackle unemployment. It enables important issues relating to job creation to be identified, monitored, analysed and reported on, most notably in the form of procedures surrounding employment guidelines and national action plans. This has encouraged Member States to coordinate polices for promoting employment and to collect data on their implementation. Equally importantly, it has encouraged coordination within Member States of different policies which affect employment — regional development, taxation and vocational training — and combining them in a coherent package for increasing net job creation.

Vocational training is a key part of the employment strategy and developments in it are reported on in the monitoring procedure. But it is important to recognise that the European employment strategy is not a policy framework for the development of vocational training, nor is it intended to be. The strategy is concerned with the contribution vocational training can make to increasing employment. However, this does not address the question of the overall quality of vocational training systems to which the EU is required to contribute under Article 3 of the Amsterdam Treaty.

There is a need to develop a process where the wider issues concerning vocational training can be properly considered, in particular, those to do with the learning process as a whole — the what, when, where and how of learning. These are central to the vocational training system. They are at the heart of the debate on lifelong learning and are being radically affected by economic and social change.

Chapter 7 has shown there are many exchange and dissemination activities at national and European levels. The completion of the first Leonardo da Vinci programme and the launch of its successor make this a most appropriate time to consider establishing a more systematic approach to the analysis, monitoring, reporting and policy development of the key issues concerning the development of lifelong learning. At this important time in the development of vocational training, there is a need to identify a procedure or forum to discuss commonly agreed issues, to develop a clearly focused policy framework at European level to serve as a reference point to support Member States in their efforts to reform national systems.

Establishing such a framework at EU level could perform a number of important functions, as it has done in the past and as comparable action is doing in other areas of policy. It could identify the key policy issues, or themes, such as the transition from school to work, accreditation of non-formal learning or financing, common to Member States to varying degrees, and help focus attention on them. It could define the links between vocational training and the European employment strategy and contribute to the achievement of its objectives. It could encourage debate on the learning process and issues surrounding it and on the means of making lifelong learning for everyone a reality. Through performing these kinds of function, it could help to build a consensus across the EU among the various interest groups on the objectives of vocational training and on the policies to be implemented for achieving them.

Creating a process to establish a clear policy framework and implementing it would also encourage the establishment of a coherent and effective system for exchange of information and experience at European level, based on systematic quantitative evaluation of the measures and programmes implemented in different countries. In turn, this could help to improve policy-making across the EU. In so doing, it would, *inter alia*, provide a forum for the presentation and discussion of research findings and results of innovative and experimental projects undertaken in different parts of the EU. This would enable them to be fed into the policy-making process and could encourage the transfer of innovation into the mainstream of vocational training systems. It would, in addition, provide a wider policy framework for the Leonardo da Vinci II programme to operate within and identify potential areas for practical cooperation between Member States, following the precedent of earlier action programmes.

Such cooperation, it should be noted, does not need to involve all Member States in every case, but only those with a specific interest in the activity or theme concerned. The policy framework should be sufficiently flexible to enable groups of Member States to work together on issues in which they share a particular interest and on specific themes they wish to address. Cooperation of this type was foreseen in the

1963 Council decision. In an EU of 15 Member States (17 if Norway and Iceland as members of the European Economic Area are included), such an arrangement may prove to be the most practical way forward. This is especially so in view of future enlargement, which may well see an EU of over 20 Member States in the not too distant future.

While the nature of any framework is for the Member States and the European institutions to decide, the lesson of history is that Member States have proved very sensitive to attempts to agree the pursuit of common objectives in this area through legally-binding instruments. It is interesting to note that, while the process is provided for in the Amsterdam Treaty, the content of the guidelines of the European employment strategy are agreed by Member States and the European Commission in the light of employment priorities and circumstances and are changed as these alter. They are, however, no less important as a result, largely because there is a common political commitment to the process surrounding them.

Such a political commitment is essential for any policy framework to be implemented at European level. This is illustrated by the December 1996 Council conclusions setting out a strategy for lifelong learning, which outlined a set of principles underpinning this and listed a number of policy areas for future development. The Council invited succeeding presidencies to give more detailed consideration to the strategy and to present draft conclusions or other texts elaborating it further. The absence of a clear procedure for the follow-up to the conclusions and a process to discuss developments has, however, made it difficult to make progress in this area.

It is, therefore, important for a clear political commitment to be established for setting up a follow-up procedure and a system for collecting, analysing, evaluating and reporting on developments, which, in turn, enables the strategy and the policy framework for pursuing it to be reviewed and updated.

Many elements required for such a vocational training policy framework already exist and it is largely a question of focusing these on commonly agreed priority issues. Senior policy-makers, including social partner representatives, already meet at European level on a regular basis. The Directors-General for Vocational Training in Member States meet informally twice a year. The social partners have an education and training group, which discusses issues of common interest. There is an Advisory Committee for Vocational Training, made up of representatives of the social partners and Member States, which is required to give an opinion and comment on any reports before they go to the Community institutions. The European Community has created institutions that collect and make use of information on vocational training developments, such as Cedefop. In addition, results of the Leonardo da Vinci I programme, as well as of its successor, are a potentially rich source of new material. They will provide insights to feed into the policy debate. Furthermore, there is a reporting procedure provided for in the Leonardo da Vinci II programme, which might encompass more general developments in vocational training policy as well as feeding into the employment strategy reporting process.

To ensure a strong political commitment and give the process the necessary momentum and importance, clear roles need to be defined for the Council — for the Education Committee or the Social Affairs Council or both — the European Parliament, the Economic and Social Committee and the Committee of the Regions.

The challenge is to draw all of these different elements together into a coherent system that focuses attention on key issues of common interest and identifies specific themes which are of common concern, which encourages constructive consideration of them at EU level. To derive full benefit from an exchange of views between Member States on the rapid developments taking place in vocational training, it is important to have a clearly focused policy framework at European level. It should be agreed and monitored at senior political level and provide a reference point from which Member States can draw, should they wish, to develop their own national policies. It should also identify common themes for joint consideration or action and within which actions in the Leonardo da Vinci II programme can be determined and carried out.

Concluding remarks

The aim of this report has been to examine EU vocational training policy. The analysis of its evolution, the actions being taken in Member States and the impact of economic and social change on vocational

training has led to the conclusion that there is a need to establish a clearly focused policy framework at European level.

A clearly focused framework is needed: one that identifies a limited number of common issues agreed on by the EU and its Member States, which has the support of the social partners and other varied interests involved; one that facilitates exchange of experience, information and good practice in a structured way, and which draws attention to specific themes of common concern; one that could contribute significantly to the decision-making process in Member States and encourage joint reflection and action; one that could help in adapting vocational training systems effectively to meet the challenges posed by economic, social, demographic and technological changes and begin the process of making lifelong learning a reality.

At the same time, it is important to recognise that such changes, and the ways that they impact on a particular society or economy, are not wholly autonomous or predetermined. Education and vocational training will have a significant effect not only on the ability of producers to compete but also on the sectors of activity in which they do so. Similarly, they will not only affect the rate of innovation and dissemination of new technology but, to some degree, the areas in which new advances are made and the form these take. They will also influence the pace and direction of social change and even, to some extent, demographic trends.

Many of the issues at stake concern the content and organisation of vocational training which are the responsibility of Member States. Nevertheless, the fact that the prosperity of the EU depends on the economic performance of its constituent parts means that there is a common interest at EU level in monitoring developments in individual countries and in discussing the implementation of more effective policies for improving performance.

In the past in Europe, we have learned much from each other. If we are to succeed in the future in achieving ultimate economic and social objectives in all parts of the EU, the age of learning must continue.

Annex 1 Sources of data used in the analysis

Vocational training policy developments

The analysis of developments in systems of vocational training in Chapters 3 to 7 is based predominantly on two main sources. The first of these consists of the individual country reports on vocational training produced by Cedefop over recent years, which contain an in-depth account of the system in operation in each Member State (Cedefop, various years). Although a number of these are now somewhat dated, relating to the position in 1990 or so in a few countries, they provide valuable background information to which details on more recent developments can be added.

The second major source of information are the National Action Plans for employment (NAPs) which all Member States have to produce annually as part of the European employment strategy and which detail the action they are taking in relation to the employment guidelines agreed each year. The analysis here is based on the NAPs for both 1998 and 1999 (European Commission, 1998c and 1999c).

Quantitative data

The data on which the quantitative analysis in this Report is based come predominantly from the Statistical Office of the European Communities (Eurostat). The main sources are the European Union Labour Force Survey (LFS), the Vocational Education and Training data (VET) and the Continuing Vocational Training Survey (CVTS). These are described below. They are supplemented by data from the Structure of Earnings Survey (SES), also described below, to give an indication of the returns to education and training, in Chapter 2, as well as by data from the International Adult Literacy Survey (IALS), conducted by OECD.

LFS

The LFS is the only source of data on employment, unemployment and related variables which is comparable between EU Member States and which enable structural features of the Union's work force to be analysed on a consistent basis. Since it is based on a survey of households and uses a largely common set of questions and a common methodology, the LFS abstracts from national differences in definitions, methods of classification and administrative procedures and regulations. Data from national sources may, therefore, differ from the figures presented in this Report.

The LFS has been carried out annually since 1983 for most Member States, though because of its sample nature, the data are not always comparable between adjacent years and are not in all cases the most reliable indicator of changes in employment over time. For analysis of such changes, the Eurostat 'benchmark' employment series is used in this report. This is a special composite series compiled by Eurostat to include figures for total employment in each Member State which statisticians in the country in question regard as the most satisfactory national source of data. The detailed LFS data, such as for the number employed by occupation in different years, have been constrained to equal the benchmark totals to improve their consistency over time. See European Commission, 1999a, p.18 for a fuller description of the benchmark series and the tables at the back of the *Employment in Europe* report for the figures themselves, together with other data on employment and unemployment in the Union.

VET data

The VET data represent a joint effort by Eurostat, Directorate-General Education and Culture (formerly DGXXII) of the European Commission and Cedefop to compile a database of participation in initial vocational education and training in EU Member States from administrative sources. Data are collected on a programme-by-programme basis and are then allocated subsequently to classification categories, which gives some flexibility in the way these categories are defined. The data relate to programmes, defined as any learning activity which aims at providing people with the skills, attitudes and knowledge necessary to carry on a particular vocation, which lead to a

qualification, lower than a university degree or equivalent, recognised by a competent authority and which have a minimum duration of 600 hours. Programmes aimed at disadvantaged groups on the labour market which are shorter in duration or which do not lead to a formal qualification are, therefore, excluded.

The VET data are published in *Key Data on Vocational Training in the European Union*, a joint product of the Commission services noted above, which is published periodically. The first issue appeared in 1997 and contained a general presentation of the different types of vocational and education training in the EU. In 1999, an issue on the training of young people was published. At the time of writing, an issue on the transition from education and training to working life is in preparation and is due to be published in 2000.

CVTS

Data from the CVTS forms the basis of much of the analysis in Chapters 6 and 8. The survey was organised by Eurostat to compile data for 1993 and was the first real attempt to present a comparable overview of continuing training across the then 12 Member States of the Union. It was enterprise-based and covered some 45 000 companies with 10 or more employees in sectors of activities other than agriculture and non-market services. In total, it is estimated that 5% of all enterprises in the Union in these sectors were surveyed, but around 20% of all employees, because proportionately more companies in larger size classes were covered than in smaller ones (one in three of those with 1000 or more employees as against one in 30 of those with less than 50 employees).

The survey provides an indication of continuing training by firm size, sector of activity (at the NACE 2-digit level) and occupation of employees and includes details of the cost, duration and type of training as well as of the subject-matter. Questions remain, however, about the comparability of the data between Member States, which stem from doubts about whether training activities were defined and reported in a uniform way in different countries. This is partly because the wording of the questionnaire used differed between countries in order to reflect the terminology of national training practices and institutional arrangements. Member States were also free to design and conduct their own surveys. Efforts are being made to improve comparability in the next CVTS due to be carried out in 2001. See *Continuing training in enterprises: facts and figures*, European Commission, 1999, for more details of the survey.

The Structure of Earnings Survey

The Structure of Earnings Survey (SES), conducted in all EU Member States on a reasonably comparable basis, contains details of gross earnings and the characteristics of wage earners, based on information collected for 1995 from a sample of enterprises in each of the countries. The data exclude agriculture, non-market and personal services as well as those employed in firms with under 10 employees. In Greece and Ireland, the data are limited to employees in industry and in Germany, which is divided between the old Länder in the West of the country and the new Länder in the East, only a few service sectors are covered (specifically, distribution and financial services).

The restricted coverage of the survey potentially affects the conclusions reached in the text. In particular, a disproportionate number of those with third level education work in communal services — public administration, health care and education — which are excluded from the survey. This is especially the case in respect of women with this level of education, almost 70% of whom in the EU worked in the excluded sectors in 1995. The precise effect of their exclusion on the figures for average earnings, however, is difficult to judge, though it may well be the case that pay levels of the more highly-educated people employed in non-market services are, on average, lower than in market services.

Sources of graphs

1-7 Eurostat, European Union Labour Force Survey
In Graphs 1 and 2, 'basic services' consist of wholesale and retail trade, hotels and restaurants, transport and communications, personal services and employment in private households; 'advanced services' are all other service activities, excluding public administration.

8-13 Eurostat, Structure of Earnings Survey

14-17 Eurostat, European Union Labour Force Survey

18-24 Eurostat, Continuing Vocational Training Survey

25-30 Eurostat, European Union Labour Force Survey

31 OECD, Active labour market policy database

32-33 Eurostat, European Union Labour Force Survey

33 Eurostat, European Union Labour Force Survey

34-36 Eurostat, Vocational education and training key data

37-38 Eurostat, Continuing Vocational Training Survey

39 Eurostat, Migration statistics; US data from Current Population Survey

40-41 Eurostat, Migration statistics

42-43 Eurostat, European Union Labour Force Survey

44-50 Eurostat, Continuing Vocational Training Survey

51-52 Eurostat, Demographic statistics

Map Eurostat.

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Council Regulation (EC) No 1784/1999 of the European Parliament and of the Council of 12 July 1999 on the European Social Fund, OJ L 213, 13.8.1999.

Glossary of terms

Acquis The entire body of Community law, including Directives, Regulations, Recommendations, Decisions and Judgements of the European Court of Justice, which impose obligations on Member States or individuals in vocational training.

CEECs Central and Eastern European Countries.

CEEP European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest.

Council Conclusions The non-legally binding conclusions of the Council of Ministers expressing the general will of the Community.

Council Decision A decision which is legally binding on those to whom it is addressed.

Council Directive A measure which is legally binding on the Member States concerning the results that each of them is required to bring about. Each Member State decides how to implement the Directive to achieve the results required.

Council of Ministers A body made up of representatives of the governments of the Member States which is the European Communities, main decision-making body.

Council Recommendation A recommendation (of the Council of Ministers) which has no legal force, although its terms are taken into account.

Council Regulation A regulation which has general application and is legally binding in its entirety and applies directly to all Member States.

Council Resolution A resolution which expresses the general will of the Member States of the European Community and has political, rather than legal, force.

ETUC European Trade Union Confederation.

European Council Meeting of the Heads of Government of Member States, which is held at least twice a year.

European Court of Justice (ECJ) Court which ensures that the Treaties are interpreted and applied correctly. ECJ judgements form one of the bases for Community law.

European Community (EC) The terms 'European Community' and 'European Union' are used in this report to refer to the political entity which was created as the European Economic Community (or Common Market) as a result of the Treaty of Rome in 1957 and subsequently evolved first into the European Community and finally into the European Union through the Maastricht Treaty of 1991, or the 'Treaty on European Union' as it is formally known. The legal construction of the latter treaty, in so-called 'pillars', stipulates that most policy matters fall legally under the scope of the European Community, which still exists (e.g. everything relating to the Single Market and the Common Agricultural Policy), but two important areas, the common foreign and security policy and justice home affairs, form the second and third pillars. They have a different legal framework under the 'roof' of the European Union.

European Economic Community (EEC) One of the three European Communities established in the 1950s (the other two were the European Coal and Steel Community (ECSC) and the European Atomic Energy Authority (EAEA)).

European Social Fund (ESF) One of the three Structural Funds, the objective of which is to promote employment and develop human resources.

European Union (EU) The entity created by the Maastricht Treaty which came into being on 1 November 1993. It consists of:

- the European Community (EC) — now the formal title of what was the European Economic Community

- the European Coal and Steel Community (ECSC)
- the European Atomic Energy Community (EURATOM)
- intergovernmental cooperation on a common foreign and security policy (CFSP)
- intergovernmental cooperation in the fields of Justice and Home affairs (JHA)

Eurostat The Statistical Office of the European Communities.

Joint Opinion See social dialogue.

NUTS Nomenclature of territorial units for statistics — established by Eurostat to provide a uniform geographical breakdown of regions.

Qualified majority voting Procedure under which each Member State is allotted votes according to its population size, the total number of votes being 87 at present and 62 or more representing a qualified majority.

Social dialogue The discussion taking place in the context of meetings, consultations and negotiations between management and workers at European level. It currently involves two employers organisations — UNICE and CEEP — and the ETUC.

Subsidiarity The principle that the Community should only act where objectives cannot adequately be achieved at national, regional or local level.

Unanimity The outcome when no Member State is opposed to the policy or course of action being voted upon.

UNICE Union of Industrial and Employers' Confederations of Europe.

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An age of learning: vocational training policy at European level

Steve Bainbridge, Julie Murray

This report – the first of its kind, provides a comprehensive overview of the development of vocational training policy at European level. As a starting point, it identifies the European 'acquis communautaire' – the body of community law in vocational training. It charts the progress of vocational training policy at European level over the past four decades and outlines the action taken by the Member States in key policy areas. Finally, it raises some fundamental issues about the challenges facing vocational training in the future. As such, this report aims to stimulate debate amongst a wide range of interest groups throughout Europe – we hope it is of equal relevance to researchers, policy makers and practitioners alike.

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